THE TREASURY INDIVIDUAL INCOME TAX SIMULATION MODEL

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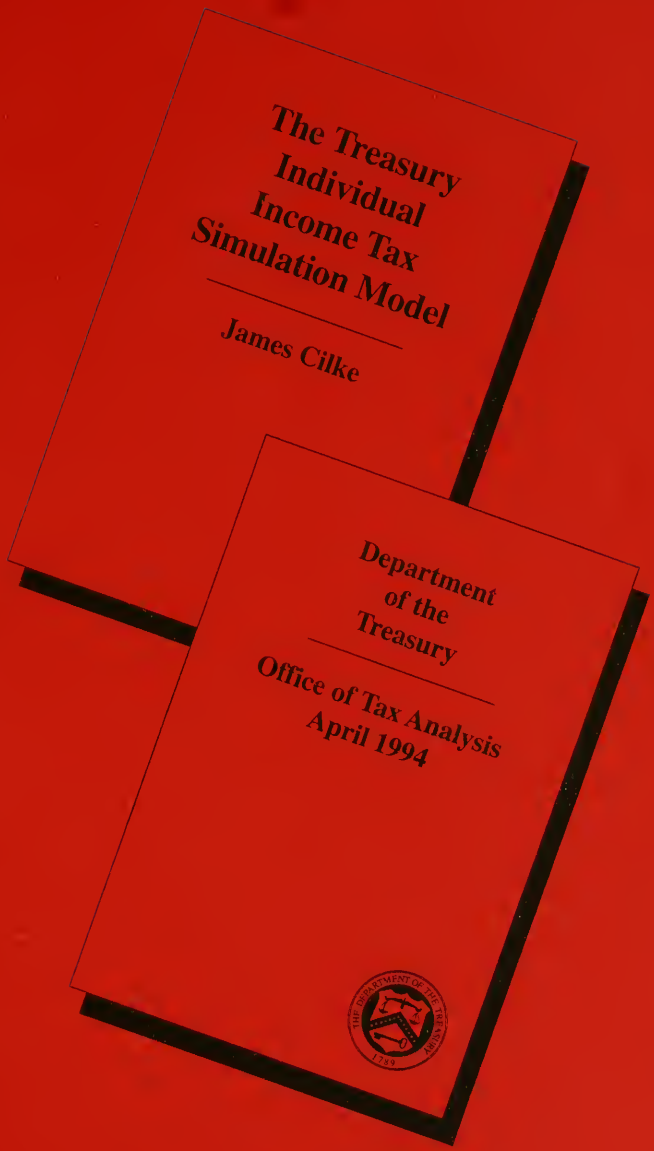
The Treasury Individual Income Tax Simulation Model
James Cilke
Department of the Treasury
Office of Tax Analysis
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James Cilke

Contributors:

Bob Gillette
C. Eric Larson
Roy A. Wyscarver

Department of the Treasury
Office of Tax Analysis

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Chapter 1

AN INTRODUCTION TO THE INCOME TAX SIMULATION MODEL

1.1 FEDERAL INDIVIDUAL INCOME TAXES

The staff of the Office of Tax Analysis (OTA) has the dual responsibility of projecting estimates of Federal income tax receipts and of analyzing and estimating the revenue, distributional, and economic impact of enacted and proposed legislation. The Federal individual income tax is highly complex with many interacting variables. So, the assessment of the effects of proposed changes in the tax law becomes rather difficult. For example, the analysis of a proposed change in the tax law must answer questions such as how tax revenues will change in future years, how the change is likely to affect the distribution of tax burdens or the distribution of income after tax, how efficiently the change will operate in achieving its objective, and what effect the change is likely to have on private economic decisions. One of the most useful tools employed by OTA to estimate and evaluate individual income taxes is the Individual Income Tax Simulation Model.

The increasing sophistication of tax proposals and tax analysis has gradually outdated the use of aggregate data. Distributional effects of tax changes are important in the assessment of most tax proposals and often cannot be accurately estimated with aggregate data. Analyses of certain groups of the taxpaying population for which no aggregate data exists are also difficult (e.g., families with two wage earners).

Microanalytic techniques are clearly needed to study the fundamental interacting parameters and decision rules of the tax law as it applies to individual taxpayers. This type of analysis has received tremendous impetus in recent years from the development of high speed computers and is often referred to as simulation.

OTA has developed and maintains a simulation model of the Federal individual income tax. The essential characteristics of the Model are (a) the representation of a large number of taxpaying units by a probability sample, (b) information on income, deductions, and tax liabilities, and (c) the use of a computer program to manipulate the sample data for analysis of enacted and proposed tax legislation. The probability sample allows the results obtained from the simulation to be weighted to produce national estimates.

The first Tax Model was built during the mid 1960's. Since then the Model has undergone numerous changes to produce the current version (Version 12) of the Tax Model (described in this documentation). Over the years the Model was used to analyze and estimate the effects of thousands of proposed changes to the tax code, such as:

- Effects of a single tax provision or set of provisions,
- Separate effects of the components of a set of multiple provisions,
- Interaction among provisions,
- Sensitivity of the tax system to certain parameters,
- Average marginal tax rates,
- Effects of behavioral responses in certain instances,
- Distributional effects of the proposed tax system, and
- Effects of a proposal in terms of who gains and who loses,
- Analysis of non-Federal income taxes,
- Special crosstabulations.

Each of these possible changes is detailed below.

Estimates for a Single Provision or Set of Provisions. To examine the effects of a single provision or set of provisions, the Tax Model simulates two tax regimes, Plan X and Y, that only differ by the provision or set of provisions being examined. Note that Plan X does not need to be present law, so that, for example, the Model could be used to estimate the effect of a single variant of a House bill.

Stacking Series. When examining a set of multiple provisions, the analyst may want to separate the effects of the package into the component provisions. This is accomplished through a stacking series. In a stacking series, each provision is estimated separately. Three types of stacking series are possible: stacked-first, stacked-last, and stacked-sequentially. Under stacked-first, each provision is compared to the same Plan X (usually current law). Under stacked-last, Plan X contains all of the provisions except the one being examined, while Plan Y contains all provisions. Stacked-sequentially starts out with present law (or some other base tax regime) in Plan X and the same law plus one provision in Plan Y. In the next simulation, the old Plan Y becomes the new Plan X, and a provision is added to the new Plan Y. This continues for all provisions. In some cases, it is possible to stack the provisions recursively so that each added provision does not interact with any of the previously stacked provisions.

Interaction Among Provisions. The Tax Model is an excellent tool for estimating the interrelationships among individual tax provisions. Because of interactions among provisions, adding up the effects from each of the stacking series will not give the

combined effect of all of the provisions. For example, changing tax rates will affect the values of deductions, and changing the levels of deductions will affect the amount of revenue generated by the rate structure.

Sensitivity Analysis. Often the analyst is interested in how responsive the tax system is to certain tax parameters. Using the Model, the analyst can determine the change in tax liabilities due to a change in a tax parameter. The analyst may also be interested in the sensitivity of the tax system to economic variables. For example, the analyst can get a sense of how interest rates affect certain tax variables by adjusting interest income and interest expense items.

Estimating Average Marginal Tax Rates. One of the most useful attributes of the Individual Tax Model is its ability to estimate average marginal tax rates. To obtain marginal tax rates, the Federal income tax liability under a given tax regime is calculated for each return on the data file. Then, the value of an income source is increased by a small amount (usually one percent). The Model recalculates each return's tax liability and the change in tax associated with the change in income. The tax and income changes are summed over all returns, and their ratio computed to give the average marginal tax rate for that income source. This, in effect, gives a rate that is weighted by the amount of the particular income source appearing on each return. Alternatively, the marginal tax rate for each return can be multiplied by that return's weight in the population. This leads to an average marginal tax rate that is weighted equally among all returns (or all returns with that particular income source).

Incorporation of Behavioral Responses. In general, the Tax Model does not account for any behavioral responses to changes in the tax code other than tax-minimizing choices like the decision to itemize. Estimates of behavioral responses are generally made "off model." On occasion however, the analyst may explicitly define a behavioral response to a particular change in the tax code. For example, in one project the price and income elasticities of charitable giving were incorporated into the Model to estimate how particular changes in the tax code affect levels of charitable contributions.

Distributional Analysis. The Model is also extensively used for distributional analysis. For example, policymakers are interested in how individual income tax liabilities, and changes in these liabilities are distributed among the population. As part of the standard output of the Model, the distribution of tax liabilities of tax units, returns or families, is presented in every simulation. However, because the Model uses microdata, the effects of tax reform can be seen on almost any subgroup of the population.

Because of the Tax Model's rich data base, individual income tax liabilities can be distributed by almost any income classifier desired. The most common classifier is AGI. However, AGI is often an inappropriate income classifier because it is tied to a particular tax law, and because it does not accurately measure "economic well-being." So, an "economic income" measure was constructed that approximates the Haig-Simons definition of income (consumption plus change in net worth).

Gainers vs. Losers. A common question that arises with any tax reform proposal is: who gains and who loses? A gainer is usually defined as a tax return or family that pays less tax, while a loser pays more tax. A special class of gainers are those returns or families who are removed from the tax rolls (tax liability changes from positive to non-positive). Conversely, a special class of losers are tax returns or families who were previously non-taxable, but must pay some tax under the proposal.

As part of the standard output of the Model, the number of gainers and losers and the amount of their gain or loss are tabulated. The output includes the special gainers and losers who are either removed or added to the tax rolls.

Analysis of Non-Federal Income Taxes. Because of its rich data base, the Tax Model has also been used for analysis of non-income taxes. For example, the Tax Model is routinely used to determine the levels and distribution of Social Security taxes. Also, the Tax Model has been used to estimate levels of tax liabilities and the additions to marginal tax rates from state income taxes.

Special Cross Tabulations. Because the Tax Model relies on microdata, cross tabulations can be made on any set of variables before and after a tax change. Frequently, the analyst may want to know how a particular subgroup of the population fares under a tax proposal. The analyst may also want to know the characteristics of gainers or losers (e.g., what variables cause a person to be a gainer or loser). The analyst often wants information on the levels of certain variables before and after the proposal (e.g., the level of medical expenses deducted or IRA's purchased). The Tax Model is a highly flexible tool for addressing such questions.

From a research viewpoint, simulation is very important because it increases the range and scope of feasible predictions. It also allows for more extensive testing of hypothesis and theories which can be embodied in the simulation. From a policy viewpoint, simulation is essential because policymakers in the tax area usually require predictions about the combined effect of many interacting changes.

1.2 THE TAX MODEL

The Individual Tax Model consists of three major components: a data sample of individual income tax returns, a computer program, and a set of input parameters.

The data sample used by the Model represents individuals who filed for the calendar year 1989 and is a stratified random sample of 110,566 income tax returns. The sample is also used to prepare the tabulations published in the "Statistics of Income." Each computation in the simulation is based on this data and is weighted to produce results that are representative of the population filing returns for 1989. Chapter 2 of this documentation provides a description of the data in this sample.

Some tax proposals are concerned with demographic, income, or deduction items that are not part of the income tax structure that existed in 1989 or did not appear on particular tax returns for various reasons. Some examples are additional earned income tax credits to returns with children under one year of age. If analyses of tax proposals concerning these items are to be undertaken within the microanalytic framework of the Tax Model, then some method of imputing missing data to individual tax returns in the sample must be developed. This has been done for selected items and is the subject of Chapter 3.

The results of the any simulation are based on the exogenously given level and distribution of income and deductions. Further, the Treasury Department is considerably more interested in the future than in the past. Whenever some action is taken, it will affect the future. Thus, actions should be examined in the expected future tax system and economy. Policies cannot be geared to the present unless one expects the future to be like the present and the needs of the future to be the same as those of the present. Moreover, policymaking is a recurrent process. In order to evaluate a particular policy's performance over time, it is desirable to have a benchmark that will indicate how the policy is initially expected to perform.

To accomplish these objectives, it was necessary to develop a methodology by which the level and distribution of income, deductions, etc., could be extrapolated to future years. The extrapolation methodology is described in detail in Chapter 4.

The second component in the Tax Model is the computer program. The computer program (described in Chapter 5) consists of three sets of instructions. The first set of instructions reads all of the tax parameters (documented in Chapter 6) and uses them to define the tax functions contained in the second set of instructions. The second set of instructions sequentially reads the data file of income tax returns and calculates a series

of output values for each return. These values are aggregated and retained for the third set of instructions which prints the values in tabular form. Each table that may be produced is discussed in Chapter 7.

The last component of the Model, the set of input parameters, contains (a) tax parameters affecting capital gains, exemptions, credits, etc., (b) parameters affecting the definition of itemized deductions, and (c) the tax rate schedules. Some of these parameters are defined in current law, others are not. In this respect, the parameter set is not a reflection of a specific income tax but rather a generalized structure where the current law is a proper subset.

The remaining four chapters in this documentation present further technical details about the Tax Model. Chapter 8 describes the Model's command procedures and utility programs. Chapter 9 provides some illustrative examples of how to translate proposed tax legislation into the input parameters and directives needed by the Model to simulate proposals. Also presented in Chapter 9 is a number of illustrative examples showing how various subprograms are used. A glossary of all the variable names encountered in the Tax Model program is presented in Chapter 10. Finally, Chapter 11 serves to chronicle the development of the current version of the Tax Model from the previous version.

1.3 USE OF THE MODEL'S ESTIMATES

Comparisons of the tabulations produced by the Treasury's Tax Model with the "Statistics of Income" show an excellent agreement. Percentage comparisons for sources of income and adjustments, credits, deductions and exemptions, returns, taxable income, AGI, and tax after credit classified by AGI class, by schedule and by type of deduction have been tabulated and show an accuracy of plus or minus 2 tenths of 1 percent. This leads us to the conclusion that the Model gives very accurate answers regarding the revenue and distributional effects of structural changes in the system.

It should be noted that use of the Model's estimates is inherently limited by the available information in the data file and that one should be careful to distinguish between applicability of runs made for the year in which the sample was selected versus later years. Given the representativeness of the sample, the predicted values of the dependent variables must hold under two assumptions, first, that the proposal under analysis has no significant feedback effects on important variables exogenous to the Model (e.g., the level and distribution of income and itemized deductions) and second, that taxpayers choose the legal options that minimize their tax liability. Clearly, the degree to which data can be assumed exogenous depends on the

nature of the proposal, e.g., taxation of all realized capital gains as ordinary income is much more likely to have feedback effects than changes in the zero bracket amount. Even when feedback is suspected, however, ignoring it is often the most logical starting point.

Chapter 2

A DESCRIPTION OF THE TAX MODEL DATA BASE

2.1 INTRODUCTION

The data base for Version 12, the current version of the Individual Tax Model, is organized and stored as several data files. For any given simulation, the user selects the combination of files most suited to his research needs. The available data files are:

- The Base file,
- The Supplemental Base file,
- The Match file, and,
- The Current Population Survey (CPS) companion file,
- A Consumer Expenditure Survey (CES) companion file,
- A Family Economic Income (FEI) file,
- A W-2 Information Returns File, and
- A SSA-1099 Information Returns File.

Each section of this chapter describes the data files listed above. Immediately following are the data record layouts for each of the files (except the FEI file). Since the Base and Match files have essentially the same data record layout, only a single record layout is presented.

The remainder of this chapter presents nine appendices:

- Appendix 2-A is a list of the OTA calculated variables,
- Appendix 2-B is a summary of the anomalies in the 1989 SOI file and the steps taken to correct each anomaly,
- Appendix 2-C is a list of "coded" data items in the Base file and their corresponding values,
- Appendix 2-D is a list of "coded" data items in the Supplemental Base file and their corresponding values,
- Appendix 2-E is a list of "coded" data items in the CPS Extract companion file and their corresponding values,
- Appendix 2-F is a list of "coded" data items in the W-2 Information Returns companion file and their corresponding values,
- Appendix 2-G is a list of "coded" data items in the SSA-1099 Information Returns companion file and their corresponding values,
- Appendix 2-H is a technical description of OTA's packing and unpacking procedure used to process the Tax Model's data files, and
- Appendix 2-I presents copies of several tax forms and schedules for 1989.

2.2 THE BASE FILE

As mentioned earlier, the starting point in constructing the Tax Model's data base is the Statistics of Income's (SOI) stratified random sample of 110,566 individual income tax returns. Each record contains the basic entries from each return's Form 1040 (or 1040A or 1040EZ) and auxiliary schedules. Each record also contains several items selected and used by the Statistics of Income division of the Internal Revenue Service to facilitate processing the file. In total, over 1600 data fields appear on the original SOI file.

There are three steps to building the Base file for the Tax Model. The first involves various preparatory tasks, namely:

- Deleting data fields that are all zero, undocumented, or are irrelevant for OTA's modeling efforts,
- Creating new variables, from existing information on the return, that are needed for policy simulation or efficient processing; e.g., the marital status data field is used to construct a filing status variable and a married-filing separate variable (see Appendix A for a listing of these variables),
- Rearranging the order of the data in the record to produce a format that is convenient for future processing and referencing,
- Packing the data so that data storage requirements and processing time are minimized, and
- Verifying that the taxpayer's tax liability using the Tax Model program agrees with the liability reported on the tax return in the SOI file. When an error is discovered, further analysis is performed to determine the error or anomaly (see Appendix B for a discussion of the anomalies and their treatment).

The second step imputes several additional variables to tax returns. Imputed variables are not found on the original file but are often required to properly simulate certain tax proposals or are useful when analyzing the impacts of changes to the tax code. For example, a tax proposal that treats itemized deductions differently will often cause some taxpayers to switch and file an itemized return instead of a non-itemized return. Since the taxpayer originally did not itemize, the SOI file does not contain his expenses for each deductible item. In order to properly simulate the proposal, information on these expenses is required. So, OTA imputes itemized deduction expenses to non-itemizers.

Besides imputed itemized deductions, the Base file (and the Match file) also contains imputations for:

- Wages and self-employment earnings from each spouse for two-earner couples,
- Employee pension plan participation (needed to simulate IRA deductions),
- A flag indicating whether the return has a child under 1-year of age,
- A flag indicating whether the return has out-of-pocket health insurance expenses for health coverage of his dependent children,
- Social Security income for tax returns with AGI's below the inclusion thresholds.

A description of these imputations is the subject of the next chapter.

The third step appended the age of each taxpayer and spouse. This was accomplished by obtaining a file containing the year and month of birth of taxpayers on the 1989 SOI. The file was then merged to the 1989 SOI file. A more detailed description of this match is presented in Chapter 3: The Age Match.

The original SOI information minus the deletions, plus the OTA calculated variables, plus the age data and imputations yielded a file with 512 data fields. The first 70 fields are stored in integer format while the remaining 442 fields are stored in real format. Except for the OTA calculated variables and corrections for anomalies, the values in each field are the same as those reported in the original 1989 Individual SOI file.

2.3 THE SUPPLEMENTAL BASE FILE

The original SOI file contains a large number of data fields that are infrequently used by OTA. It is senseless to waste computer processing time reading these fields for every Model simulation run and then ignore them. In order to reduce processing time, the infrequently used variables are stored in the Supplemental file. The Supplemental file is only read if information on the file is needed. The Supplemental file is generally accessed by setting a flag, so that after reading a Base file record, the Tax Model automatically reads the corresponding record from the Supplemental file.

Thus, the Supplemental base file is a "parallel" file. The Supplemental base file has exactly the same number of records as the Base file (110,566) and the records are in the same order. That is, the n-th record on the Base file contains information on the same return as the n-th record on the Supplemental file.

The Supplemental file contains 789 variables; 199 stored in integer format and 590 stored in real format. The largest sources of information on the Supplemental file are from Schedules C and F. The file also contains information on expanded income, investment tax credits from Form 3468, non-deductible IRAs from Form 8606, prior year AMT credit information from Form 8801, fuels credits from Form 4136, employee business expenses from Form 2106, foreign earned income from Form 2555, investment income going to taxpayers' children on Form 8814, and depreciation information from Form 4562.

2.4 THE MATCH FILE

Analyzing proposals that could radically alter the tax base or the tax unit often requires information that is not tied to a particular tax law or limited to what is currently reported on tax returns. Specifically, additional information is needed in the following areas:

- Untaxed Sources of Income. Proposals to reform the income tax system frequently involve expanding the tax base to include forms of income that are not presently taxed. One often-cited proposal is to tax portions of employer contributions for health insurance or pensions. Another common policy objective is to direct tax relief to persons living in poverty. In order to determine whether a person has income less than the poverty level, the Tax Model needs to include certain untaxed sources of income such as welfare payments.

- Links between taxpayers and families. Since tax returns are generally filed jointly by married couples and individually by unmarried persons, tax return data do not permit examination of tax burdens by the logical economic unit — the family. To conduct analyses based on families, dependents who file their own tax returns must be combined with the tax returns of those who support them.

- Nonfilers. Many families and single individuals do not file tax returns (largely because their incomes are too low) and, therefore, are not represented in the SOI file. Under some tax reform proposals such as a consumption tax scheme, these "nonfilers" would start paying tax. Thus, their profiles should be included in a tax data base.

- The income classifier. The choice of the income measure used to classify taxpayers by size of income can alter the conclusions about the distributional effects of tax reform proposals. In order to properly evaluate the distributional consequences of fundamental tax reform, it is particularly important to use an income classifier

that is economically meaningful and independent of any specific tax law. Economists would generally agree that the classifier should be broadly defined. One possibility is to distribute tax proposals by money income. This requires information on untaxed cash income such as welfare payments. Another income concept is economic income as defined by Haig and Simons, i.e., consumption plus change in net worth.

One common solution to the problem of missing information is to impute the required data using classical techniques. OTA, however, employs an alternative solution, namely a statistical match of tax return data from the SOI file with other demographic and economic data. In particular, the Tax Model's Match file is created from a statistical match between the 1989 SOI file and the 1990 March Supplement of the Current Population Survey (CPS).

In a statistical match, an observation on one microdata file is matched to an observation with similar characteristics on another microdata file. The result is an observation with information unique to the original files plus information common to the original files. For example, consider a tax return with information on variable sets X and Y, and a CPS observation with information on variable sets X and Z. In this example, the variable sets Y and Z are unique to their respective files, and the X variable set is common to both files. A statistical match joins records on each file with similar values in the X variables. The result is an observation with information on X, Y, and Z.

The match process has both strengths and weaknesses. One of the main advantages of merging two data sets through a statistical match is that the procedure preserves the relationships among the variables in each file, i.e., it maintains the variance-covariance matrices. However, one of the shortcomings is that, beyond the common core set of variables, nothing is really known about how the tax variables are correlated with CPS variables. The statistical reliability of the match, however, depends on the assumption that for each merged observation, the values for the non-core SOI variables are independent of the non-core CPS variables. Section 3.5 in the next chapter describes the statistical match.

The initial result of matching procedure was two data files. The first file contained the same information as the base file plus eight additional variables. The new variables included new weights, information needed to form families, and variables needed to link the records in the file to the records in the CPS file. This file represents the U.S. tax filing population plus potential filers within the non-filing, non-institutional population over 15 years of age. The second file, of course, contained CPS information. This CPS-companion file is described in the next section.

2.5 THE CURRENT POPULATION SURVEY (CPS) COMPANION FILE

The Current Population Survey is a sample of approximately 57,000 U.S. households. The Survey contains information on demographics, income, labor force participation, job characteristics, health insurance coverage, etc. OTA only extracted selected information from the original CPS March Supplement. The CPS companion file contains 249 variables; 133 of these are integer flags and 116 are dollar amounts. The CPS companion file contains 245,063 records; no record is present for the 7014 tax filers on the Match file under the age of 16. The variables for the companion file are listed in the record layout in Section 2.9 A description of the matching process is described in Section 3.4: The Statistical Match to CPS Records.

2.6 THE CONSUMER EXPENDITURE SURVEY (CES) COMPANION FILE

Some current, as well as proposed, Federal taxes are based on consumer expenditures rather than on individual income. For example, analyses of excise taxes or VAT taxes require information on consumption behavior of individuals. In order to provide analyses of consumption-based taxes, OTA imputed expenditures amounts of 86 broadly defined goods. The imputation methodology was an unconstrained statistical match between the family heads on the SOI-CPS Match file and a file from the Interview portion of the Consumer Expenditure Survey (CES). The result is a file of 175,485 records. Each record is matched to a family head on the Match file. A description of the imputation methodology is presented in Section 3.5: The Statistical Match to the Consumer Expenditure Survey.

2.7 THE FAMILY ECONOMIC INCOME FILE

When analyzing the distributional impacts of any tax proposal, the choice of the income measure by which taxpayers are classified is an important one. The effects of a tax law change can look quite different under different definitions of income. However, the proper income definition generally depends on the questions being asked. If one wishes to measure tax distributions relative to "economic well-being" then a broad measure of income is appropriate. On the other hand, if one wishes to distribute income taxes relative to the tax base then Adjusted Gross Income is probably the appropriate choice. The Tax Model is flexible enough so that the user can create almost any income concept he desires.

The broad-based income concept used by OTA is Family Economic Income (FEI). FEI attempts to follow the Haig-Simons definition of income (named after its use by Haig (1921) and Simons (1938). FEI is defined as the amount a family consumes plus the net change in their assets over the course of one year. FEI reflects the amount of resources a family could consume without reducing net worth.

The basic starting point for FEI is Adjusted Gross Income (AGI). Several adjustments to AGI such as IRA and Keogh deductions, net operating losses, and the foreign earned income exclusion are added back. FEI includes all nontaxable cash transfer payments plus food stamps and energy assistance. These values are obtained from the CPS file and other sources after adjusting to hit known national levels. FEI also includes the following imputed items: untaxed employer provided benefits including military benefits, earnings on pension funds, unreported income of filers, real net rent on owner occupied homes, real pre-tax corporate economic income, inflation adjustments for interest paid and interest received, adjustments for economic depreciation (instead of tax depreciation), adjustments for real net capital gains, plus a host of small miscellaneous adjustments. A more detailed breakdown of the components of FEI is found in Chapter 3: The Construction of Family Economic Income.

For simplicity and speed, only the economic income of each return on the file for each year in the budget period is permanently stored. More specifically, OTA created 10 separate FEI files, one for each year between 1989 and 1998 inclusive. Each file has exactly one variable (economic income) for each record. Thus, each of the FEI companion files are rather small and can be processed very quickly.

2.8 OTHER TAX MODEL DATA FILES

The Tax Model has two additional data files: a W-2 Information Returns file and a SSA-1099 Information Returns file. Records in both of these file are exactly linked to records in the Tax Model's Base file.

As the name implies, the W-2 file contains information each from taxpayers' W-2 or W-2P. This file is used to split wage earnings between primary taxpayers and their spouses. Information from W-2Ps is used to split pension benefits between primary taxpayers and their spouses. In addition, the W-2 file is used to impute tax deferred compensation from 401k retirement plans and to impute the number of employers (jobs) a taxpayer has throughout a tax year.

The SSA-1099 file contains information from each taxpayers' 1099-SSA and 1099-RRB Information Returns. This file is primarily used to determine Social Security and Railroad Retirement benefits going to taxpayers that are below the thresholds for including benefits in AGI. In addition, the file is use to split Social Security benefits between primary taxpayers and their spouses.

2.9 RECORD LAYOUTS

The following pages present the record layouts for the Tax Model's data files. The layout presents for each data item,

- The variable sequence number on the file,
- The array name and element number where the item is stored,
- An equivalent name (if any),
- A brief description of the data item, and
- Reference information indicating the form and line number from which the information was drawn and the source or address of the data item on the original data file (if any).

As mentioned earlier, the Base file and the Match file all have essentially the same record layout; so only one layout is presented. Following the layout for the Base file is the layout for the Supplemental Base file. Next, the layouts for the CPS companion file and the CES companion file are presented. Finally, the layouts for the W-2 Information Returns file and the SSA-1099 Information Returns file are presented.

Treasury Individual Income Tax Model Record Layout -- Base and Match File

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
1	M(001)		Primary over 65 indicator		2
2	M(002)		Active participtation code		9
3	M(003)		Actual sample code		10
4	M(004)		Sampling group		22
5	M(005)		District		24
6	M(006)		Dependent status indicator		29
7	M(007)		Edit code		31
8	M(008)		Fringe benefits indicator		38
9	M(009)	FDED	Form of deduction code		39
10	M(010)	FLGSTR	Filing status/age indicator box from Schedule R		41
11	M(011)	YR	Filing period - year		42
12	M(012)	MO	Filing period - month		43
13	M(013)		Foreign tax indicator		44
14	M(014)		Child care credit form (2441)		46
15	M(015)	I2555	Foreign earned income credit form (2555)		47
16	M(016)	I6251	Alternative minimum tax form (6251)		55
17	M(017)		Passive activity loss limitations form (8582)		57
18	M(018)		Tax for children under age 14 (8615)		60
19	M(019)		Additional Form 8814 (Parent's elective)		62
20	M(020)		High income nontaxable		63
21	M(021)		High income tax indicator		64
22	M(022)	MARS	Marital (filing) status		70
23	M(023)		Passive loss code, Schedule A		75
24	M(024)		Passive loss code, Schedule E		77
25	M(025)		Long-term passive loss code		78
26	M(026)		Short-term passive loss code		79
27	M(027)		Primary blind indicator		80
28	M(028)	MARSH	Parents filing status code		83
29	M(029)	IPREP	Tax preparer		86
30	M(030)		Personal use rental property		89
31	M(031)	MFSREQ	MFSS itemized deductions req. ind.		96
32	M(032)		Secondary over 65 indicator		98
33	M(033)		Secondary blind indicator		99
34	M(034)		SE Farm code - primary		113
35	M(035)		SE Farm code - secondary		114
36	M(036)	SPECTX	Special tax computation		117
37	M(037)	ISTATE	State		119
38	M(038)		Service center		122
39	M(039)		Exemptions on parents return		142
40	M(040)	JS	Tax Model filing status		OTAC
41	M(041)	MFSEXM	Spouse exemption flag for MFS returns		OTAC
42	M(042)	IFDEPT	Dependent flag		OTAC

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
43	M(043)	IDEDX	+/- Itemizer/non-itemizer flag		OTAC
44	M(044)	IDEDO	+/- Original itemizer/non-itemizer flag		OTAC
45	M(045)	I8814	Parent's elective kiddy tax form		OTAC
46	M(046)	I8615	Kiddy tax flag		OTAC
47	M(047)	JSH	Tax Model filing status of Parent		OTAC
48	M(048)	MFSEXMH	Spouse exemption flag for MFS parent		OTAC
49	M(049)	NOEITC	No EITC claimed		OTAC
50	M(050)	AGEP	Age of primary		OTAC
51	M(051)	AGES	Age of Spouse		OTAC
52	M(052)	IAGEFG	Age imputation flag		OTAC
53	M(053)	J2ERNFG	Earning split imputations flag		OTAC
54	M(054)	INFANT	Return with infant under 1 year flag		OTAC
55	M(055)	IHEALTH	Health Insurance expenses for child flag		OTAC
56	M(056)	IECPEN	With IRA and employee pension plan flag		OTAC
57	M(057)		Social Security income imputation flag		OTAC
58	M(058)		Reserved		OTAC
59	M(059)		Reserved		OTAC
60	M(060)		Reserved		OTAC
61	M(061)		Reserved		OTAC
62	M(062)		Reserved		OTAC
63	M(063)		Reserved		OTAC
64	M(064)		Reserved		OTAC
65	IDENT(1)	RETNO	Return Sequence Number		OTAC
66	IDENT(2)	****	Confidential ****		OTAC
67	IDENT(3)	****	Confidential ****		1
68	IDENT(4)	****	Confidential ****		2
69	IDENT(5)	****	Confidential ****		3
70	IDENT(6)	****	Confidential ****		4
71	D(001)	WT	Weight		OTAC
72	D(002)	DMFS	Married filing separate flag (.5 if MFS)		OTAC
73	D(003)		Exemptions: Total		2
74	D(004)	TXPYE	Taxpayers	1040: 6e	3
75	D(005)	DEPNE	Dependents	1040: 6e	6
76	D(006)	CAHE	Children at home	1040: 6e	7
77	D(007)	CAFHE	Children away from home	1040: 6e	8
78	D(008)		Parents	1040: 6e	9
79	D(009)		Other dependents	1040: 6e	10
80	D(010)	AGEDE	Number of elderly taxpayers on return		OTAC
81	D(011)	BLNDE	Number of blind taxpayers on return		OTAC
82	D(012)	AGIX	+/- Adjusted gross income (Deficit)	1040: 31	22

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY		DATA ITEM DESCRIPTION	CROSS REF. FORM:	LINE:	LOCATION IN ORIGINAL 89 SOI FILE
83	D(013)	WAS		Salaries and wages and tips	1040:	7	24
84	D(014)	INTST		Interest received	1040:	8a	25
85	D(015)	TEXINT		Tax-Exempt interest	1040:	8b	26
86	D(016)	DBE		Dividends	1040:	9	27
87	D(017)	SITR		State income tax refunds	1040:	10	28
88	D(018)			Alimony received	1040:	11	29
89	D(019)	BIL	+/-	Business or profession net profit/loss	1040:	12	30
90	D(020)	CGAGIX	+/-	Net capital gain/loss on Schedule D	1040:	13	32
91	D(021)	CGD40		Capital gain distributions reported on 1040	1040:	14	33
92	D(022)		+/-	Supplemental schedule net gain or loss	1040:	15	34
93	D(023)			Gross IRA distributions	1040:	16a	35
94	D(024)	TIRAD		Taxable IRA distributions	1040:	16b	36
95	D(025)			Pensions: Total received (form)	1040:	17a	37
96	D(026)	PTPEN		Taxable (portion in AGI)	1040:	17b	38
97	D(027)			Nontaxable (portion not in AGI)			39
98	D(028)	SCHE	+/-	Schedule E net income or loss	1040:	18	40
99	D(029)	FIL	+/-	Farm net profit or loss	1040:	19	41
100	D(030)	UCAGIX		Unemployement compensation	1040:	20	43
101	D(031)	SSINC		Social Security: Gross benefits	1040:	21a	44
102	D(032)	SSAGIX		Benefits in AGI	1040:	21b	45
103	D(033)	OTHINC	+/-	Other net income or loss	1040:	22	46
104	D(034)	TOTINCX	+/-	Total income (Computer)	1040:	23	47
105	D(035)			Additional Form 8814 net income			48
106	D(036)	FOREXC		Foreign earned income exclusion			49
107	D(037)	NOLS		Net Operating loss			50
108	D(038)	RESID	+/-	Subtotal of minor income sources			OTAC
109	D(039)	WASP		Two-Earner primary wages			OTAC
110	D(040)	WASS		Two-Earner secondary wages			OTAC
111	D(041)	SEEP	+/-	Two-Earner primary self-employment			OTAC
112	D(042)	SEES	+/-	Two-Earner secondary self-employment			OTAC
113	D(043)	SHARES		Two-Earner share of wages by spouse			OTAC
114	D(044)	FELLOW		Fellowship income included in other income			OTAC
115	D(045)	TTADJ		Statutory Adjustments: Total	1040:	30	51
116	D(046)			Employee Business expenses (PY)			53
117	D(047)	ADJIRA		Total deductible IRA payments			54
118	D(048)			Primary IRA payments	1040:	24	55
119	D(049)			Secondary IRA payments	1040:	25	56
120	D(050)	KEOGH		Payments to KEOGH	1040:	27	58
121	D(051)			Forfeited interest penalty	1040:	28	59
122	D(052)			Alimony paid	1040:	29	60
123	D(053)	HEALSE		SE health insurance deduction	1040:	26	62
124	D(054)			Other adjustments	1040:	30mar	63
125	D(055)	FORHE		Foreign housing adjustment	1040:	30mar	64

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY		DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
126	D(056)	ADJUST		Subtotal of minor adjustments to AGI		OTAC
127	D(057)	BSD		Basic standard deduction	1040: 34	65
128	D(058)	SDADD		Additional standard deduction	1040: 34	66
129	D(059)	SDX		Total standard deduction	1040: 34	69
130	D(060)			Tax table income	1040: 35	70
131	D(061)	EXEMX		Exemption amount	1040: 36	71
132	D(062)	TINCX		Taxable income (punched)	1040: 37	73
133	D(063)	DX		Greater of standard deduction or itemized deductions		OTAC
134	D(064)			Additional Form 8814 Tax	1040: 38d	76
135	D(065)	TAXBSX		Computed income tax		79
136	D(066)	SPCTAX		Taxes from special computations	1040: 39	84
137	D(067)	TAXB		Income tax before credits (form)	1040: 40	85
138	D(068)	TTCRX		Credits: Total (Form)	1040: 46	93
139	D(069)			Total (SOI)	1040: 46	95
140	D(070)	ELDCRX		Elderly and disabled	1040: 42	96
141	D(071)	FTCX		Foreign tax	1040: 43	98
142	D(072)	TFTC		Tentative foreign tax credit		OTAC
143	D(073)	CCCX		Child care	1040: 41	101
144	D(074)	MICRX		Mortgage interest credit		104
145	D(075)	TTMICR		Total mortgage investment credit		OTAC
146	D(076)	TMICR		Tentative mortgage investment credit		OTAC
147	D(077)			Residential energy (PY)		105
148	D(078)	AMTCRX		Minimum Tax	1040: 45	106
149	D(079)	OTHCR		Other	1040: 46mar	107
150	D(080)	GBCRX		General business credit	1040: 44	109
151	D(081)			Total income tax		112
152	D(082)	TTAXA		Income tax after credits (SOI)	1040: 47	113
153	D(083)	AMTX		Alternative minimum tax (SOI)	1040: 49	115
154	D(084)	TAXAX	+/-	Final individual income tax liability		OTAC
155	D(085)			Total tax liability (form)	1040: 53	117
156	D(086)			Income tax after credits (form)	1040: 47	118
157	D(087)			Self-employment	1040: 48	119
158	D(088)	SECATX		Calculated SECA tax liability		OTAC
159	D(089)			Alternative minimum (form)	1040: 49	121
160	D(090)			Recapture tax	1040: 50	122
161	D(091)			Social Security tax on tip income	1040: 51	123
162	D(092)			Penalty tax on IRA's	1040: 52	124
163	D(093)	ADVEIC		Advance earned income credit payments		125
164	D(094)			Other taxes	1040: 53mar	126
165	D(095)			Total tax liability (SOI)	1040: 53mar	129
166	D(096)			Taxpayments: Total payments (form)	1040: 63	132
167	D(097)			Income tax withheld	1040: 56	133
168	D(098)			Estimated tax payments	1040: 57	134

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY		DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
169	D(099)	EICX		Earned income credit (punched)	1040: 58	135
170	D(100)	EICKID		Flag for kids being claimed for EIC only		OTAC
171	D(101)	UEICEI	+/-	Unaccounted for earned income for the EIC		OTAC
172	D(102)			Amount paid with Form 4868	1040: 59	136
173	D(103)			Excess FICA/RRTA	1040: 60	137
174	D(104)			Credit for tax on special fuels & oils	1040: 61	138
175	D(105)			Regulated investment company credit	1040: 62	139
176	D(106)			Windfall profit tax overpayment (PY)	1040: 61mar	140
177	D(107)			Total taxpayments (SOI)	1040: 63	142
178	D(108)		+/-	Balance Due/Overpayment	1040: 64/67	144
179	D(109)			Credit elect	1040: 66	145
180	D(110)			Overpayment refunded	1040: 65	146
181	D(111)			Predetermined estimated tax penalty	1040: 68	147
182	D(112)	TIIE		Current year investment interest	4952: 1	168
183	D(113)	YINV		Net investment income	4952: 4	172
184	D(114)			Total excluded income		193
185	D(115)	TIDX		Total itemized deductions	Sch A: 26	195
186	D(116)	DEDMED		Medical deduction: Total deduction	Sch A: 4	197
187	D(117)			Prescriptions and medical care	Sch A: 1a	199
188	D(118)			Miscellaneous medical expenses	Sch A: 1b	203
189	D(119)	TTMED		Total medical expenses	Sch A: 2	204
190	D(120)	TTSLTX		State and local taxes Paid Deduction: Total	Sch A: 8	211
191	D(121)	SLITX		State and local income taxes	Sch A: 5	212
192	D(122)	RETX		Real estate taxes	Sch A: 6	213
193	D(123)	PPTX		Personal property taxes	Sch A: 7	216
194	D(124)	OTSLTX		Other state and local taxes paid	Sch A: 7	217
195	D(125)	TCIE		Interest deductions: personal interest paid	Sch A: 12a	219
196	D(126)	CIE		Interest deductions: Personal interest deduction	Sch A: 13	220
197	D(127)	TTIE		Interest deductions: Total interest paid deduction		221
198	D(128)	HMIE		Home Mortgage: Total		222
199	D(129)			Home Mortgage: Financial	Sch A: 9a	223
200	D(130)			Home Mortgage: Personal/seller	Sch A: 9b	224
201	D(131)			Home Mortgage: Deductible points	Sch A: 10	225
202	D(132)	IIE		Investment Interest paid	Sch A: 11	226
203	D(133)	TTCON		Charitable Contributions: Total	Sch A: 17	228
204	D(134)			Cash, total	Sch A: 14	229
205	D(135)			Other than cash	Sch A: 15	232
206	D(136)			Carryover	Sch A: 16	233
207	D(137)	CCLIM		Disallowed charitable contributions deduction		OTAC
208	D(138)	EXMOVE		Moving expenses	Sch A: 19	234
209	D(139)	T2MISC		Misc. deductions subject to AGI limit, Total	Sch A: 22	235
210	D(140)	CASUAL		Net casualty or theft loss	Sch A: 18	236
211	D(141)	TTCASU		Total theft and casuality losses		OTAC

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY		DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
212	D(142)			Unreimbursed employee business expense	Sch A: 20	237
213	D(143)			Tax preparation fee	Sch A: 21mar	238
214	D(144)			Mutual fund expenses	Sch A: 21mar	239
215	D(145)	DEDMIS		Net limited miscellaneous deductions	Sch A: 24	241
216	D(146)	FDMISC		Non-limited miscellaneous deductions	Sch A: 25	242
217	D(147)			Other miscellaneous deductions (limited)	Sch A: 21	243
218	D(148)	TOTMIS		Total miscellaneous deductions		245
219	D(149)			Mortgage interest credit	8396: 13	254
220	D(150)			Mortgage interest credit before reductions	8396: 7	255
221	D(151)	STG		Current short-term gains	Sch D: 7g	257
222	D(152)	STL		Current short-term losses	Sch D: 7f	258
223	D(153)	CYSTG		Current year short-term capital gains		OTAC
224	D(154)	CYSTL		Current year short-term capital losses		OTAC
225	D(155)			Short-term sales price	Sch D: 2c	260
226	D(156)	SRESCG		Short-term residence gain	Sch D: 3	261
227	D(157)	SINSTL		Short-term installment gain	Sch D: 4	262
228	D(158)	SPARTG		Short-term partnership/S-Corp gain	Sch D: 5g	263
229	D(159)	SPARTL		Short-term partnership/S-Corp loss	Sch D: 5f	264
230	D(160)	P69STC		Short-term loss carryover	Sch D: 6	265
231	D(161)	NSTGL	+/-	Net short-term gain or loss (punched)	Sch D: 8	267
232	D(162)	LRESCG		Long-term residence gain	Sch D: 10	269
233	D(163)	LINSTL		Long-term installment gain	Sch D: 11	270
234	D(164)	LPARTG		Long-term partnership/S-Corp gain	Sch D: 12g	271
235	D(165)	LPARTL		Long-term partnership/S-Corp loss	Sch D: 12f	272
236	D(166)	LTG		Current long-term gains	Sch D: 16g	273
237	D(167)	LTL		Current long-term losses	Sch D: 16f	274
238	D(168)	CYLTG		Current year long-term capital gains		OTAC
239	D(169)	CYLTL		Current year long-term capital losses		OTAC
240	D(170)			Short-term loss carryover	Sch D: 29	276
241	D(171)	P69LTC		Long-term loss carryover	Sch D: 15	277
242	D(172)	LCGD		Schedule D capital gain distributions	Sch D: 13	278
243	D(173)	L4797		Form 4797 gains	Sch D: 14	279
244	D(174)	NLTGL	+/-	Net long-term gains less losses (punched)	Sch D: 17	283
245	D(175)	NGL	+/-	Net capital gain exclusion before limit	Sch D: 18	289
246	D(176)	TCGA		Long-term capital gains over short term losses		OTAC
247	D(177)	CGDNRD		Capital gains distributions reported on 1040		OTAC
248	D(178)	INLCGX		Long-term capital gains included in AGI		OTAC
249	D(179)		+/-	Total rent net income or loss		311
250	D(180)		+/-	Total farm rent net income or loss	Sch E: 28	312
251	D(181)			Total income		314
252	D(182)			Total rents received	Sch E: 4	315
253	D(183)			Total royalties received	Sch E: 5	316
254	D(184)			Rental deduction	Sch E: 20	317

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY		DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
255	D(185)			Royalty deduction	Sch E: 20	318
256	D(186)			Royalty depletion	Sch E: 21	319
257	D(187)			Rental depreciation	Sch E: 21	320
258	D(188)			Suspended loss carryover	Sch E: 24	321
259	D(189)			Deductible rental loss	Sch E: 24	322
260	D(190)			Mortgage interest financial institution	Sch E: 12	323
261	D(191)			Other interest	Sch E: 13	324
262	D(192)		+/-	Net income or loss	Sch E: 27	325
263	D(193)	TRENT	+/-	Rent net income or loss	Sch E: 23	326
264	D(194)	ROYAL	+/-	Royalty net income or loss	Sch E: 23	327
265	D(195)			Partnership total passive loss	Sch E: 30g	329
266	D(196)			Partnership total passive income	Sch E: 30h	330
267	D(197)			Partnership total non-passive loss	Sch E: 30i	331
268	D(198)			Partnership total non-passive income	Sch E: 30k	332
269	D(199)			Section 179 expense deduction	Sch E: 31b	334
270	D(200)			Partnership expense deduction	Sch E: 30j	335
271	D(201)			S-Corporation total passive loss	Sch E: 30g	336
272	D(202)			S-Corporation total passive income	Sch E: 30h	337
273	D(203)			S-Corporation total non-passive loss	Sch E: 30i	338
274	D(204)			S-Corporation total non-passive income	Sch E: 30k	339
275	D(205)			Combined total income	Sch E: 32	340
276	D(206)			Combined total loss	Sch E: 33	341
277	D(207)		+/-	Combined Partnership and S-Corp net income	Sch E: 34	349
278	D(208)			Estate or Trust total passive loss	Sch E: 36b	343
279	D(209)			Estate or Trust total passive income	Sch E: 36a	344
280	D(210)			Estate or Trust total non-passive loss	Sch E: 36b	345
281	D(211)			Estate or Trust total non-passive income	Sch E: 36a	346
282	D(212)			Total income	Sch E: 37	342
283	D(213)			Total loss	Sch E: 38	347
284	D(214)		+/-	Net income or loss	Sch E: 39	348
285	D(215)			Refund (PY)		350
286	D(216)			Withheld (PY)		351
287	D(217)		+/-	Real estate mortgage investment	Sch E: 41	352
288	D(218)			Rent/Royalty net income	Sch E: 25	353
289	D(219)			Rent/Royalty net loss	Sch E: 26	354
290	D(220)			Nondeductible rental loss	Sch E: 24	355
291	D(221)		+/-	Total rental or royalty net income	Sch E: 29	356
292	D(222)	RENT	+/-	Net rental income		OTAC
293	D(223)	D_RENTL		Disallowed rental losses		OTAC
294	D(224)	PART	+/-	Net partnership income		OTAC
295	D(225)	D_PARTL		Disallowed passive partnership losses		OTAC
296	D(226)	SBC	+/-	Net subchapter S corporate income		OTAC
297	D(227)	D_SBCL		Disallowed passive SBC losses		OTAC

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY		DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
298	D(228)	ESTU	+/-	Net estate income		OTAC
299	D(229)	D_ESTUL		Disallowed passive estate losses		OTAC
300	D(230)	D_FARML		Disallowed passive farm losses		OTAC
301	D(231)	D_SCHCL		Disallowed passive sole-proprietorship losses		OTAC
302	D(232)	D_FRNTL		Disallowed passive farm rental losses		OTAC
303	D(233)	D_CAPL		Disallowed passive capital losses		OTAC
304	D(234)	TAPL	+/-	Total allowed passive losses		OTAC
305	D(235)	D_TAPL		Total disallowed passive losses		OTAC
306	D(236)			Reserved		OTAC
307	D(237)			Reserved		OTAC
308	D(238)	ELDTXI		Taxable disability and pension income	Sch R: 11	362
309	D(239)	TDIINC		Total disability income		363
310	D(240)			Modified base amount	Sch R: 12	364
311	D(241)	ELDNTI		Nontaxable disability and pension benefit	Sch R: 13c	365
312	D(242)	SEERN	+/-	SE net earning, total		386
313	D(243)	SEERNP	+/-	Primary	Sch SE: 3c	387
314	D(244)	SEERNS		Secondary	Sch SE: 3c	388
315	D(245)	SETAX		SE tax, total		398
316	D(246)	SETAXP		Primary	Sch SE: 9	399
317	D(247)	SETAXS		Secondary	Sch SE: 9	400
318	D(248)	CCECYR		Total expenses	2441: 2	422
319	D(249)	CCQME		Qualifying individual expenses	2441: 4	423
320	D(250)	CCQI		Number qualifying child care dependents		OTAC
321	D(251)	EXCLCC		Dependent care exclusion	2441: 5	424
322	D(252)	CCE		Net qualifying expenses	2441: 6	425
323	D(253)	CCEI		Earned income	2441: 7/9	426
324	D(254)	CCCPYR		Credit based on prior-year expenses	2441: 13	429
325	D(255)	EMPLCC		Dependent care employer benefits amount	2441: 15	432
326	D(256)	ALTCCE		Total qualified dependent care expenses	2441: 16	433
327	D(257)	TAXCCE		Taxable dependent care benefits	2441: 22	434
328	D(258)	CYITC		Statutory investment credit	3800: 1	437
329	D(259)			Nondeductable investment credit		438
330	D(260)	JOBS		Jobs credit	3800: 2	439
331	D(261)	FUEL		Alcohol fuel credit	3800: 3	440
332	D(262)	RAECR		Research & experimentation credit	3800: 4	442
333	D(263)	LIHCR		Low-income housing credit	3800: 5	443
334	D(264)	TGBC		Tentative general business credit	3800: 12	444
335	D(265)			Current year general business credit	3800: 6	445
336	D(266)	PTTCR		Current year passive activity credit	3800: 7	446
337	D(267)			Current year general business credit	3800: 8	447
338	D(268)	PDISCR		Allowed passive activity credits	3800: 9	448
339	D(269)	GBCYO		Credits carried forward from 1988	3800: 10	449
340	D(270)	UEARNK		Form 8615 gross unearned income	8615: 1	540

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341	D(271)	DEDKID		Form 8615 deductions	8615: 2	541
342	D(272)	UIKID		Net unearned income	8615: 3	542
343	D(273)	TIKIDH		Parents taxable income	8615: 6	543
344	D(274)	OUIKID		Other children's unearned income	8615: 7	544
345	D(275)	COMBI		Form 8615 total income	8615: 8	545
346	D(276)	COMBTX		Form 8615 tax on income	8615: 9	546
347	D(277)	HEADTX		Parent's tax	8615: 10	547
348	D(278)	TXUI		Investment income taxed at parents tax rate	8615: 13	548
349	D(279)			Tax on net taxable income	8615: 16	549
350	D(280)			Tax on earned income	8615: 17	550
351	D(281)			Form 8615 tax	8615: 18	551
352	D(282)			Net investment income	8615: 5	552
353	D(283)	TOTKID		Dif. between tax on parents's inc. and kids	8615: 11	553
354	D(284)			Combined net investment income of all kids	8615: 12a	554
355	D(285)			Child's net investment income	8615: 12b	555
356	D(286)	TIWOUI		Excess of child's income over net invest.	8615: 14	556
357	D(287)	DMFSH		Married filing separate flag for parent		OTAC
358	D(288)	XEXEMH		Exemptions claimed by parent		OTAC
359	D(289)	TXKIDX		Total kiddy tax		OTAC
360	D(290)	STXKID		State & local tax deductions claimed by child		OTAC
361	D(291)		+/-	Taxable income .	6251: 1	700
362	D(292)	AMTNOL		Net operating loss deduction	6251: 2	701
363	D(293)		+/-	Taxable income plus NOL deduction	6251: 3	702
364	D(294)			Medical and dental expense form 6251	6251: 4c	703
365	D(295)		+/-	Form 6251 interest	6251: 4g	704
366	D(296)		+/-	Circulation expenditures	6251: 4k	705
367	D(297)			Refund of taxes	6251: 4f	706
368	D(298)	PSLOSAJ	+/-	Passive activity loss	6251: 4t	707
369	D(299)		+/-	Certain loss limitations	6251: 4q	708
370	D(300)		+/-	Other adjustments		709
371	D(301)	AMTADJ	+/-	Total adjustments	6251: 4u	710
372	D(302)			Accelerated depreciation	6251: 5e/f	711
373	D(303)			Amort. of pollution control facilities	6251: 5g	712
374	D(304)			Appreciated property charitable deduction	6251: 5a	713
375	D(305)			Tax exempt interest	6251: 5b	715
376	D(306)			intangible drilling costs	6251: 5h	716
377	D(307)			Depletion	6251: 5c	717
378	D(308)			Other tax preferences	6251: 5imar	719
379	D(309)	PREFI		Total preference items	6251: 5i	720
380	D(310)	PREFAJ	+/-	AMT preference items		OTAC
381	D(311)	AMTAJ	+/-	AMT adjustment items		OTAC
382	D(312)	UCAMTI	+/-	Unaccounted for AMT income		OTAC
383	D(313)	UCNOL	+/-	Unaccounted for net opperating losses		OTAC

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY		DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
384	D(314)		+/-	Tentative alternative minimum taxable inc.	6251: 6	721
385	D(315)			Alternative tax net operating loss	6251: 7	722
386	D(316)	AMTIX	+/-	Alternative minimum taxable income	6251: 8	723
387	D(317)			Form 6251 exemption amount	6251: 9	724
388	D(318)			Form 6251 gross exemption amount	6251: 10	725
389	D(319)	AMTOVR		AMT Taxable income less gross exemption	6251: 11	726
390	D(320)			Reduction in exemption amount	6251: 12	727
391	D(321)	AMTZBA		Limited exemption amount	6251: 13	728
392	D(322)	AMTUEXM		Unused AMT exemption		OTAC
393	D(323)			AMT income less limited exemption	6251: 14	729
394	D(324)			AMT tax before tax credits	6251: 15	730
395	D(325)	AMTFTC		Form 6251 foreign tax credit	6251: 16	731
396	D(326)	TAMTX		Tentative alternative minimum tax	6251: 17	732
397	D(327)			Form 6251 income tax before tax credits	6251: 18	733
398	D(328)			Form 6251 alternative minimum tax	6251: 19	734
399	D(329)	NDIRAP		Nonded. end of yr IRA contribution, primary	8606: 2	743
400	D(330)	NDIRAS		Nonded. end of yr IRA contribution, secondary	8606: 2	759
401	D(331)			Form 2119 exclusion	2119: 9	782
402	D(332)	Z1A		Active rental net income before 10/23/86	8582: 1a	799
403	D(333)	Z1B		Active rental net loss before 10/23/86	8582: 1b	800
404	D(334)	Z1C	+/-	Act rent net income/loss before 10/23/86	8582: 1c	801
405	D(335)	Z1D		Active rental net income after 10/22/86	8582: 1d	802
406	D(336)	Z1E		Active rental net loss after 10/22/86	8582: 1e	803
407	D(337)	Z1F	+/-	Act rent net income/loss before 10/22/86	8582: 1f	804
408	D(338)	Z1G	+/-	Active rental net income/loss	8582: 1g	805
409	D(339)	Z1H		prior year unallowed active losses	8582: 1h	806
410	D(340)	Z1I	+/-	Combined year active rental net inc/loss	8582: 1i	807
411	D(341)	Z2A		Passive activity net inc before 10/23/86	8582: 2a	808
412	D(342)	Z2B		Passive activity net loss before 10/23/86	8582: 2b	809
413	D(343)	Z2C	+/-	Pass act net income/loss before 10/23/86	8582: 2c	810
414	D(344)	Z2D		Passive activity net inc after 10/22/86	8582: 2d	811
415	D(345)	Z2E		Passive activity net loss after 10/22/86	8582: 2e	812
416	D(346)	Z2F	+/-	Passive act. net inc. loss after 10/22/86	8582: 2f	813
417	D(347)	Z2G	+/-	Passive activity net income loss	8582: 2g	814
418	D(348)	Z2H		prior year unallowed passive losses	8582: 2h	815
419	D(349)	Z2I	+/-	Combined passive activity and income loss	8582: 2i	816
420	D(350)	Z3	+/-	Passive and rental net income loss	8582: 3	817
421	D(351)	Z4		Rental net loss for computing allowance	8582: 4	818
422	D(352)	Z5		Maximum modified AGI	8582: 5	819
423	D(353)	Z6		Actual modified AGI	8582: 6	820
424	D(354)	Z7		Modified AGI subject to reduction	8582: 7	821
425	D(355)	Z8		Reduced modified AGI	8582: 8	822
426	D(356)	Z9		Allowable rental activity loss	8582: 9	823

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
427	D(357)	Z10	Net inc/loss from all act before 10/23/86	8582: 10	824
428	D(358)	Z11	Excl rental loss in computing phase-in	8582: 11	825
429	D(359)	Z12	Non-rental net losses before 10/23/86	8582: 12	826
430	D(360)	Z13	All net losses less allowable rental loss	8582: 13	827
431	D(361)	Z14	Net loss amount subject to phase-in	8582: 14	828
432	D(362)	Z15	Phase-in amount for computing total loss	8582: 15	829
433	D(363)	Z16	Allowable current year rental loss	8582: 16	830
434	D(364)	Z17	Passive act loss allowed for current yr	8582: 17	831
435	D(365)	Z18	New income for all activities	8582: 18	832
436	D(366)	Z19	Total current yr passive act loss allowed	8582: 19	833
437	D(367)	TAMTCR	Allowable minimum tax credit	8801: 25	850
438	D(368)	DIKID1	1st Gross taxable interest and dividends	8814: 3	862
439	D(369)	PEKID1	1st Tax computed at 15% rate	8814: 8	865
440	D(370)	DIKID2	2nd Gross taxable interest and dividends	8814: 3	871
441	D(371)	PEKID2	2nd Tax computed at 15% rate	8814: 8	874
442	D(372)	DIKID3	3rd Gross taxable interest and dividends	8814: 3	880
443	D(373)	PEKID3	3rd Tax computed at 15% rate	8814: 8	883
444	D(374)		Comb. Taxable interest	8814: 1a	884
445	D(375)		Comb. Tax-exempt interest	8814: 1b	885
446	D(376)		Comb. Gross dividends	8814: 2a	886
447	D(377)		Comb. Nontaxable distribution	8814: 2b	887
448	D(378)		Comb. Taxable dividends	8814: 2c	888
449	D(379)	DIKIDT	Comb. Gross taxable interest and dividends	8814: 3	889
450	D(380)	DIKOTH	Comb. Net taxable interest and dividends	8814: 5	890
451	D(381)		Comb. Interest and dividends taxed at 15%	8814: 7	891
452	D(382)	PEKIDX	Comb. Tax computed at 15% rate	8814: 8	892
453	D(383)	DIKID4	Dividends and interest of 4th+ children		OTAC
454	D(384)	PEKID4	Parent's elective tax on 4th+ children		OTAC
455	D(385)		+/- SE net farm profit/loss		371
456	D(386)		+/- Primary	Sch SE: 1	372
457	D(387)		+/- Secondary	Sch SE: 1	373
458	D(388)		+/- SE net business profit/loss		374
459	D(389)		+/- Primary	Sch SE: 2	375
460	D(390)		+/- Secondary	Sch SE: 2	376
461	D(391)		SE farm optional method		377
462	D(392)		Primary	Sch SE: 11	378
463	D(393)		Secondary	Sch SE: 11	379
464	D(394)		SE non-farm optional method		380
465	D(395)		Primary	Sch SE: 13	381
466	D(396)		Secondary	Sch SE: 13	382
467	D(397)	SEWAS	SE wages, total		383
468	D(398)	SEWASP	Primary	Sch SE: 5c	384
469	D(399)	SEWASS	Secondary	Sch SE: 5c	385

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
470	D(400)	GVWAS	Government wages, total		389
471	D(401)	GVWASP	Primary	Sch SE: 6b	390
472	D(402)	GVWASS	Secondary	Sch SE: 6b	391
473	D(403)	CHWAS	Church wages, total		392
474	D(404)	CHWASP	Primary	Sch SE: 6c	393
475	D(405)	CHWASS	Secondary	Sch SE: 6c	394
476	D(406)	SEINC	+/- SE income, total		395
477	D(407)	SEINCP	Primary	Sch SE: 7	396
478	D(408)	SEINCS	Secondary	Sch SE: 7	397
479	D(409)	AFARMG	Active Schedule F farm income		OTAC
480	D(410)	AFARML	+/- Active Schedule F farm loss		OTAC
481	D(411)	PFARMG	Passive Schedule F farm income		OTAC
482	D(412)	PFARML	+/- Passive Schedule F farm loss		OTAC
483	D(413)	ASCHCG	Active Schedule C business income		OTAC
484	D(414)	ASCHCL	+/- Active Schedule C business loss		OTAC
485	D(415)	PSCHCG	Passive Schedule C business income		OTAC
486	D(416)	PSCHCL	+/- Passive Schedule C business loss		OTAC
487	D(417)	WT89	1989 Weight (preserved in extrapolations)		OTAC
488	D(418)	AGIUKS	Income with unknown source for Form 8582 calc		OTAC
489	D(419)	WT89MAT	Original 1989 SOI weight (Match file only)		OTAC
490	D(420)	ORIG_RT	Original 1989 SOI RETNO (Match file only)		OTAC
491	D(421)	RFEI	Return Economic Income (Match file only)		OTAC
492	D(422)	FEI	Family Economic Income (Match file only)		OTAC
493	D(423)		Reserved		OTAC
494	D(424)		Reserved		OTAC
495	D(425)		Reserved		OTAC
496	D(426)		Reserved		OTAC
497	D(427)		Reserved		OTAC
498	D(428)		Reserved		OTAC
499	D(429)		Reserved		OTAC
500	D(430)		Reserved		OTAC
501	D(431)		Reserved		OTAC
502	D(432)		Reserved		OTAC
503	D(433)		Reserved		OTAC
504	D(434)		Reserved		OTAC
505	D(435)		Reserved		OTAC
506	D(436)		Reserved		OTAC
507	D(437)		Reserved		OTAC
508	D(438)		Reserved		OTAC
509	D(439)		Reserved		OTAC
510	D(440)		Reserved		OTAC
511	D(441)		Reserved		OTAC
512	D(442)		Reserved		OTAC

Treasury Individual Income Tax Model Record Layout -- Supplemental File

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	TAX MODEL NAMES SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
1	MS(001)		Business indicator		12
2	MS(002)		Captial gain indicator		13
3	MS(003)		Class code		14
4	MS(004)		Reserved		OTAC
5	MS(005)		Computed primary stratifying variable		16
6	MS(006)		Computed sample code		17
7	MS(007)		Cycle code		18
8	MS(008)		Depreciation expense source indicator (BEA)		21
9	MS(009)		Disability indicator (Schedule R)		23
10	MS(010)		District - original		25
11	MS(011)		First and second digits of DLN		26
12	MS(012)		Document code-fourth and fifth digits		27
13	MS(013)		Dependent redesign code		28
14	MS(014)		State by district		30
15	MS(015)		Earned income credit code		32
16	MS(016)		Electronic filing code		33
17	MS(017)		Electronic filing indicator		34
18	MS(018)		Presidential election campaign fund		35
19	MS(019)		Exclusion ratio		36
20	MS(020)		Exam indicator		37
21	MS(021)		Sample file type (LEVEL)		40
22	MS(022)		Investment credit form (3468)		48
23	MS(023)		Business investment energy credit form (3468B)		49
24	MS(024)		General business credit form (3800)		50
25	MS(025)		Gasoline and special fuels credit (4136)		51
26	MS(026)		Depreciation form (4562)		52
27	MS(027)		Investment interest expense form (4952)		53
28	MS(028)		Deductible loss from sec. 465(c) form (6198)		54
29	MS(029)		Mortgage interest credit form (8396)		56
30	MS(030)		Low income housing credit form (8586)		58
31	MS(031)		Non-deductible IRA contributions form (8606)		59
32	MS(032)		Limit on AMT for children under age 14 (8803)		61
33	MS(033)		Itemized deductions election indicator		65
34	MS(034)		Installment method code		66
35	MS(035)		Secondary LEVEL		68
36	MS(036)		Math status code		71
37	MS(037)		Net income limitation		72
38	MS(038)		Noncash contributions indicator		73
39	MS(039)		Noncompute code		74
40	MS(040)		Photocopy indicator		81
41	MS(041)		Panel indicator		82
42	MS(042)		Post of duty code - primary		84

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	TAX MODEL NAMES SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
43	MS(043)		Post of duty code - secondary		85
44	MS(044)		Punched sample code		87
45	MS(045)		Primary stratifying variable		88
46	MS(046)		Percentatge value of note, Schedule D		90
47	MS(047)		Primary tracking code		91
48	MS(048)		Quality assurance subsample indicator		92
49	MS(049)		IRS Region		93
50	MS(050)		Reject edited		95
51	MS(051)		Return panel indicator		97
52	MS(052)		Schedule A indicator code		100
53	MS(053)		Schedule C indicator code		102
54	MS(054)		Schedule C or F indicator		103
55	MS(055)		Schedule D code		104
56	MS(056)		Schedule E indicator code		106
57	MS(057)		Schedule F indicator code		107
58	MS(058)		Schedule SE		109
59	MS(059)		Sales of capital assets tracking code		116
60	MS(060)		Secondary panel indicator		118
61	MS(061)		Secondary tracking code		120
62	MS(062)		Corrected form of return		124
63	MS(063)		Taxable or nontaxable returns		130
64	MS(064)		Marginal tax rate		132
65	MS(065)		Tax status		133
66	MS(066)		Primary taxpayer exemption		135
67	MS(067)		Secondary taxpayer exemption		136
68	MS(068)		Exemptions for children living at home		137
69	MS(069)		Exemptions for children away from home		138
70	MS(070)		Exemptions for other dependents		139
71	MS(071)		Exemptions for parents		140
72	MS(072)		Total exemptions		141
73	MS(073)		Acceptance or rejection of return		143
74	MS(074)		Manual review code		147
75	MS(075)		Error change indicator		148
76	MS(076)		Error loop flag		149
77	MS(077)		Before or after record		150
78	MS(078)		Information listing change indicator		151
79	MS(079)		Information flag for manual review		152
80	MS(080)		Service center tape receipt sequence		156
81	MS(081)		Manual review/Information condition		157
82	MS(082)		Validation error flag		158
83	MS(083)		Validation work group		159
84	MS(084)		Type of file code		160
85	MS(085)		DOMC: Dominant Schedule C		163

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
86	MS(086)		DOMC: Industry code		164
87	MS(087)		DOMC: Accounting method		166
88	MS(088)		DOMC: Sex of proprietor		167
89	MS(089)		DOMC: At risk code		168
90	MS(090)		DOMC: Tax shelter code		169
91	MS(091)		DOMC: Combined Schedule C code		170
92	MS(092)		DOMC: Self-code industry code		171
93	MS(093)		DOMC: Inventory valuation		172
94	MS(094)		DOMC: Home office expense code		175
95	MS(095)		DOMC: Industry code change		177
96	MS(096)		DOMC: Passive loss code		178
97	MS(097)		DOMC: Material participation code		179
98	MS(098)		1ST C: Business number		180
99	MS(099)		1ST C: Industry code		181
100	MS(100)		1ST C: Accounting method		183
101	MS(101)		1ST C: Sex of proprietor		184
102	MS(102)		1ST C: At risk code		185
103	MS(103)		1ST C: Tax shelter code		186
104	MS(104)		1ST C: Combined Schedule C code		187
105	MS(105)		1ST C: Self-code industry code		188
106	MS(106)		1ST C: Inventory valuation		189
107	MS(107)		1ST C: Home office expense code		192
108	MS(108)		1ST C: Industry code change		194
109	MS(109)		1ST C: Passive loss code		195
110	MS(110)		1ST C: Material participation code		196
111	MS(111)		2ND C: Business number		197
112	MS(112)		2ND C: Industry code		198
113	MS(113)		2ND C: Accounting method		200
114	MS(114)		2ND C: Sex of proprietor		201
115	MS(115)		2ND C: At risk code		202
116	MS(116)		2ND C: Tax shelter code		203
117	MS(117)		2ND C: Combined Schedule C code		204
118	MS(118)		2ND C: Self-code industry code		205
119	MS(119)		2ND C: Inventory valuation		206
120	MS(120)		2ND C: Home office expense code		209
121	MS(121)		2ND C: Industry code change		211
122	MS(122)		2ND C: Passive loss code		212
123	MS(123)		2ND C: Material participation code		213
124	MS(124)		3RD C: Business number		214
125	MS(125)		3RD C: Industry code		215
126	MS(126)		3RD C: Accounting method		217
127	MS(127)		3RD C: Sex of proprietor		218
128	MS(128)		3RD C: At risk code		219

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	TAX MODEL NAMES SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
129	MS(129)		3RD C: Tax shelter code		220
130	MS(130)		3RD C: Combined Schedule C code		221
131	MS(131)		3RD C: Self-code industry code		222
132	MS(132)		3RD C: Inventory valuation		223
133	MS(133)		3RD C: Home office expense code		226
134	MS(134)		3RD C: Industry code change		228
135	MS(135)		3RD C: Passive loss code		229
136	MS(136)		3RD C: Material participation code		230
137	MS(137)		DOMF: Dominant Schedule F		231
138	MS(138)		DOMF: Industry Code		232
139	MS(139)		DOMF: Accounting method		234
140	MS(140)		DOMF: Sex of proprietor		235
141	MS(141)		DOMF: At risk code		236
142	MS(142)		DOMF: Passive loss code		237
143	MS(143)		1ST F: Schedule F number		241
144	MS(144)		1ST F: Industry Code		242
145	MS(145)		1ST F: Accounting method		244
146	MS(146)		1ST F: Sex of proprietor		245
147	MS(147)		1ST F: At risk code		246
148	MS(148)		1ST F: Passive loss code		247
149	MS(149)		2ND F: Schedule F number		251
150	MS(150)		2ND F: Industry Code		252
151	MS(151)		2ND F: Accounting method		254
152	MS(152)		2ND F: Sex of proprietor		255
153	MS(153)		2ND F: At risk code		256
154	MS(154)		2ND F: Passive loss code		257
155	MS(155)		Deleted business or farm code		261
156	MS(156)		DOMC - Dominant business inventory		264
157	MS(157)		Business net income code		265
158	MS(158)		Size of business receipts		266
159	MS(159)		Nonfarm industry codes: division line no.		267
160	MS(160)		Subdivision line numbers		268
161	MS(161)		Major group line numbers		269
162	MS(162)		Minor group line numbers		270
163	MS(163)		Appendix AA-BEA code division line no.		271
164	MS(164)		Subdivision line numbers		272
165	MS(165)		Major group line numbers		273
166	MS(166)		Minor group line numbers		274
167	MS(167)		Alphabetical district coding		275
168	MS(168)		Selected nonfarm coding division line no.		276
169	MS(169)		Subdivision line numbers		277
170	MS(170)		Major group line numbers		278
171	MS(171)		Minor group line numbers		279

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
172	MS(172)		Combined selected nonfarm division line no.		280
173	MS(173)		Major group line numbers		281
174	MS(174)		SOCA Schedule C sample code		283
175	MS(175)		SOCA Schedule D sample code		284
176	MS(176)		SOCA PIA sample code		285
177	MS(177)		Percentage basis primary IRA		308
178	MS(178)		Percentage basis secondary IRA		309
179	MS(179)		Consistency test batch number		311
180	MS(180)		Match code		312
181	MS(181)		Reserved		OTAC
182	MS(182)		Reserved		OTAC
183	MS(183)		Reserved		OTAC
184	MS(184)		Reserved		OTAC
185	MS(185)		Reserved		OTAC
186	MS(186)		Reserved		OTAC
187	MS(187)		Reserved		OTAC
188	MS(188)		Reserved		OTAC
189	MS(189)		Reserved		OTAC
190	MS(190)		Reserved		OTAC
191	MSL(1)		Return Sequence Number		OTAC
192	MSL(2)	****	Confidential ****		OTAC
193	MSL(3)		Record number by service center		313
194	MSL(4)		Page number/line counter		314
195	MSL(5)	****	Confidential ****		320
196	MSL(6)	****	Confidential ****		321
197	MSL(7)	****	Confidential ****		322
198	MSL(8)	****	Confidential ****		323
199	MSL(9)		Reserved		OTAC
200	DS(001)		Number of Returns		1
201	DS(002)		Schedule C Sole proprietorship returns		12
202	DS(003)		Schedule F Sole proprietorship returns		13
203	DS(004)		Yes boxes checked - Pres. Election fund		14
204	DS(005)		Partnerships (Schedule E)		15
205	DS(006)		S Corporations (Schedule E)		16
206	DS(007)		All at Risk		17
207	DS(008)		Partially at Risk		18
208	DS(009)		Forms 8609 filed		19
209	DS(010)		Zip code (Expanded)		21
210	DS(011)		+/- Adjusted gross income/deficit (Taxpayer)	1040: 31	23

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
211	DS(012)		Taxable income (Taxpayer)		74
212	DS(013)		Punched income tax	1040: 38	77
213	DS(014)		Income subject to tax		87
214	DS(015)		Marginal tax base		89
215	DS(016)		Tax generated (Tax rate tables)		90
216	DS(017)		Total (Taxpayer)		94
217	DS(018)		Elderly and disabled (taxpayer)		97
218	DS(019)		Child care (taxpayer)		102
219	DS(020)		Statutory credit limitation		111
220	DS(021)		Taxes: Total tax liability (taxpayer)		116
221	DS(022)		All other taxes (for Table 3.3)		128
222	DS(023)		Tax eligible for checkoff		131
223	DS(024)		All other taxpayments (Table ADI)		143
224	DS(025)		Gas non-highway fare credit	4136: 2a	150
225	DS(026)		Gas non-highway fishing credit	4136: 2b	151
226	DS(027)		Gas non-highway other credit	4136: 2c	152
227	DS(028)		Gas local school bus credit	4136: 3b	153
228	DS(029)		Gas diesel exempt credit	4136: 4	154
229	DS(030)		Gasohol credit	4136: 5	155
230	DS(031)		Methyl/ethyl credit	4136: 6b	156
231	DS(032)		Aviation gas farm credit	4136: 8	158
232	DS(033)		Aviation gas other credit	4136: 9	159
233	DS(034)		Last tax	4136: 7	160
234	DS(035)		Diesel vehicle credit	4136: 1	161
235	DS(036)		Diesel vehicle credit	4136: 10	162
236	DS(037)		+/- Credit for federal tax on gas & spec. fuels		163
237	DS(038)		+/- Overall profit/loss	6198: 5	165
238	DS(039)		At risk amount	6198: 20	166
239	DS(040)		Deductible loss	6198: 21	167
240	DS(041)		Disallowed prior year investment interest	4952: 17	169
241	DS(042)		Pre-adjustments net investment interest	4952: 2	170
242	DS(043)		Adjustments from passive activity	4952: 3	171
243	DS(044)		Reduced current year investment interest	4952: 6	173
244	DS(045)		Pre adj Net Investment income B	4952: 7	174
245	DS(046)		Pre adj Net Investment Income plus $10,000	4952: 9	175
246	DS(047)		Disallowed investment interest	4952: 23	176
247	DS(048)		Allowable investment interest	4952: 24	177
248	DS(049)		Excess current year investment interest	4952: 10	178
249	DS(050)		Amount A for disallowed expenses	4952: 15	179
250	DS(051)		Amount A for allowed expenses	4952: 16	180
251	DS(052)		Amount B for allowed expenses	4952: 21	181
252	DS(053)		Amount B for disallowed expenses	4952: 22	182
253	DS(054)		EIC (Computed)		183

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
254	DS(055)		EIC salaries and wages		184
255	DS(056)		Earned income		185
256	DS(057)		EIC used to offset income tax before credits		186
257	DS(058)		EIC used to offset all other taxes		187
258	DS(059)		EIC refundable portion		188
259	DS(060)		EIC in excess of advance EIC payments		189
260	DS(061)		Advance EIC payments in excess of EIC		190
261	DS(062)		Total itemized deductions (Taxpayer)		196
262	DS(063)		Total deduction (Taxpayer)		198
263	DS(064)		AGI limitation (punched)	Sch A: 3	207
264	DS(065)		Two percent of AGI	Sch A: 23	240
265	DS(066)		Nontaxable distributions	Sch B: 7	246
266	DS(067)		Schedule B interest	Sch B: 3	247
267	DS(068)		Capital gain distributions	Sch B: 6	248
268	DS(069)		Schedule B dividends	Sch B: 9	249
269	DS(070)		Seller financed mortgage interest	Sch B: 1	250
270	DS(071)		Tentative mortgage interest credit	8396: 3	251
271	DS(072)		Mortgage interest credit carryover 1986	8396: 4	252
272	DS(073)		Mortgage interest credit carryover 1987	8396: 5	253
273	DS(074)		Mortgage interest credit carryover 1988	8396: 6	256
274	DS(075)		Short-term sales price	Sch D: 2c	260
275	DS(076)		Long-term sales price	Sch D: 9c	268
276	DS(077)		Long-term gains in excess short-term loss		285
277	DS(078)		Long-term gains in AGI (PY)		286
278	DS(079)		Captial gains exclusion (computed) (PY)		287
279	DS(080)		+/- Combined capital gains less losses		292
280	DS(081)		+/- Combined long term capital gains >loss		293
281	DS(082)		Schedule D gain for tax computation		298
282	DS(083)		+/- Tentative taxable income less Schedule D		299
283	DS(084)		Schedule D gain subject to 2890 tax rate		300
284	DS(085)		Taxable income less Schedule D gain		301
285	DS(086)		Non-Schedule D tax		302
286	DS(087)		Schedule D gain tax		303
287	DS(088)		Schedule D tax		304
288	DS(089)		Total sales (Form 1099 amount)	Sch D: 1	305
289	DS(090)		Minimum taxable income for bracket		306
290	DS(091)		Long-term loss carryover	Sch D: 36	307
291	DS(092)		Total bartering income	Sch D: 46	308
292	DS(093)		Face value of note	Sch D: 38	309
293	DS(094)		Schedule D tax		310
294	DS(095)		Modified AGI	Sch R: 16	366
295	DS(096)		One-half modified AGI	Sch R: 17	367
296	DS(097)		Schedule B total income	Sch R: 18	368

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	TAX MODEL NAMES SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. FORM:	CROSS REF. LINE:	LOCATION IN ORIGINAL 89 SOI FILE
297	DS(098)		Credit subject to 15% limitation	Sch R:	19	369
298	DS(099)		Credit for elderly and disabled	Sch R:	21	370
299	DS(100)		Vehicle expenses	2106:	1	405
300	DS(101)		Other transportation	2106:	2	406
301	DS(102)		Overnight travel expenses	2106:	3	407
302	DS(103)		Other business expenses	2106:	4	408
303	DS(104)		Meals and entertainment gross	2106:	5	409
304	DS(105)		Other than meals and entertainment	2106:	6	410
305	DS(106)		Unreported reimbursements, other	2106:	7a	411
306	DS(107)		Unreported reimb., meals and entertainment	2106:	7b	412
307	DS(108)		Other Reported Reimbursements	2106:	8a	413
308	DS(109)		Reported meals and entertainment reimb.	2106:	8b	414
309	DS(110)		Other total reimbursements	2106:	9a	415
310	DS(111)		Total meals and entertainment reimbursement	2106:	9b	416
311	DS(112)		Other expenses, net	2106:	10a	417
312	DS(113)		Net meals and entertainment expenses	2106:	10b	418
313	DS(114)		Meals and entertainment before limit	2106:	11	419
314	DS(115)		Meals and entertainment after limit	2106:	12b	420
315	DS(116)		Total net employer business expenses	2106:	13	421
316	DS(117)		Earned income limitations	2441:	10	427
317	DS(118)		Percentage of AGI	2441:	11	428
318	DS(119)		Credit based on current-year expenses	2441:	12	430
319	DS(120)		Credit before limitation	2441:	14	431
320	DS(121)		Adjusted income tax liability	3800:	15	454
321	DS(122)		General business credit computed	3800:	20	456
322	DS(123)		Maximum allowable general business credit			457
323	DS(124)		Total earned income exclusion			458
324	DS(125)		Primary	2555:	34	459
325	DS(126)		Secondary	2555:	34	460
326	DS(127)		Housing deduction, total			461
327	DS(128)		Primary	2555:	46	462
328	DS(129)		Secondary	2555:	46	463
329	DS(130)		Deduction allocable to excluded income			464
330	DS(131)		Primary	2555:	38	465
331	DS(132)		Secondary	2555:	38	466
332	DS(133)		+/- Combined Schedule C profit/loss computer			475
333	DS(134)		+/- Schedule D profit/loss			476
334	DS(135)		+/- Schedule E profit/loss			477
335	DS(136)		+/- Combine schedule F profit/loss computer			478
336	DS(137)		+/- Adjusted gross income			479
337	DS(138)		Taxable income amount			480
338	DS(139)		Child care credit			481
339	DS(140)		Mortgage certificate credit			482

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	TAX MODEL NAMES SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
340	DS(141)		Credit for prior year minimum tax		483
341	DS(142)		Combined SE tax		484
342	DS(143)		Alternative minimum tax		485
343	DS(144)		Gas credit		486
344	DS(145)		+/- Balance due-overpayment		487
345	DS(146)		Total itemized deduction		488
346	DS(147)		+/- Alternative income concept #1		489
347	DS(148)		+/- Alternative income concept #2		490
348	DS(149)		Nondeductible passive losses		491
349	DS(150)		Original Fields: Tax preparation fee		557
350	DS(151)		Exemption amount		558
351	DS(152)		Other medical expenses		566
352	DS(153)		Medical and dental deduction		567
353	DS(154)		Personal interest deduction		568
354	DS(155)		AGI limit for miscellaneous deductions		569
355	DS(156)		+/- AGI		570
356	DS(157)		Tax and TXST (original)		571
357	DS(158)		Alternative minimum tax (original)		572
358	DS(159)		Total taxes pald deduction		573
359	DS(160)		Total interest paid deduction		574
360	DS(161)		Net casualty or theft loss		575
361	DS(162)		Moving expenses deduction		576
362	DS(163)		Miscellaneous deduc. subject to AGI limit		577
363	DS(164)		Nonlimited miscellaneous deductions		578
364	DS(165)		Business Schedule C receipts		579
365	DS(166)		+/- Business schedule F receipts		580
366	DS(167)		+/- Other Net Income or Loss (original)		581
367	DS(168)		Gross Social Security income		583
368	DS(169)		Total allowable passive losses		584
369	DS(170)		Form 8814 net income amount		585
370	DS(171)		+/- Selection amount		586
371	DS(172)		+/- Computed selection amount		587
372	DS(173)		Qualified progress expenditures	3468: a	589
373	DS(174)		New recovery, 3-year, basis	3468A: 1a(2)	590
374	DS(175)		New recovery, other, qualified investment	3468A: 1b(4)	591
375	DS(176)		Used recovery, 3-year, basis	3468A: 1c(2)	592
376	DS(177)		Used recovery, other qualified investment	3468A: 1d(4)	593
377	DS(178)		Basis of property, life yrs or type NA		598
378	DS(179)		New recovery, 3-year, qualified investment	3468A: 1a(4)	599
379	DS(180)		Used recovery, 3-year, qualified investment	3468A: 1c(4)	600
380	DS(181)		Qualified invest. in nonrecovery property	3468A: 1(4)	605
381	DS(182)		Qualified investment in transition property	3468A: 2	608
382	DS(183)		Qualified trans. credit for 30-yr buildings	3468: 2a	612

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	TAX MODEL NAMES SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
383	DS(184)		Qualified trans. credit for 40-yr buildings	3468: 2b	613
384	DS(185)		Credit for certified historic structures	3468: 2c	614
385	DS(186)		Post-86 expenditure for pre-1936 buildings	3468: 3a	615
386	DS(187)		Post-86 expenditure for historic structures	3468: 3b	616
387	DS(188)		Regualar investment credit from cooperative	3468: 4	621
388	DS(189)		Reduced regular credit	3468: 1	623
389	DS(190)		Current yr reg. and bus. energy invest. cr.	3468: 6	624
390	DS(191)		Disallowed credit due to passive activities		625
391	DS(192)		Cost of business energy property	3468B: 1a-e	629
392	DS(193)		Total qualified invest. in bus. energy prop.	3468B: 2	631
393	DS(194)		Tot. qual. inv. credit for solar prop.	3468B: 3a	636
394	DS(195)		Tot. qual. inv. cred. ocean thermal prop.	3468B: 3c	637
395	DS(196)		Tot. qual. inv. cred. bio & geotheral prop.	3468B: 3b	638
396	DS(197)		Tot. qual. inv. cred. hydro & other prop.	3468B: 4a-b	639
397	DS(198)		BEIC from cooperatives	3468B: 5	643
398	DS(199)		Tentative current-year BEIC	3468: 5	644
399	DS(200)		Sec. 179 property, cost after limit	4562: 5	646
400	DS(201)		Sec. 179 property, Tentative deductions	4562: 8	647
401	DS(202)		Form 4562 taxable income limit	4562: 9	648
402	DS(203)		Prior year carryover of Section 179 ded.	4562: 10	649
403	DS(204)		Sec. 179 property, deduction	4562: 11	650
404	DS(205)		MACRS property, 3-year, cost	4562: 13a	651
405	DS(206)		MACRS property, 3-year, method	4562: 13a	652
406	DS(207)		MACRS property, 3-year, ded. this yr	4562: 13a	653
407	DS(208)		MACRS property, 5-year, cost	4562: 13b	654
408	DS(209)		MACRS property, 5-year, method	4562: 13b	655
409	DS(210)		MACRS property, 5-year, ded. this yr	4562: 13b	656
410	DS(211)		MACRS property, 10-year, cost	4562: 13d	657
411	DS(212)		MACRS property, 10-year, method	4562: 13d	658
412	DS(213)		MACRS property, 10-yr, ded. this yr	4562: 13d	659
413	DS(214)		Residential rental property, cost	4562: 13g	660
414	DS(215)		Residential rental prop., deduction this yr	4562: 13g	662
415	DS(216)		Non-residential rental property, cost	4562: 13h	663
416	DS(217)		Non-residential rental property, deduction	4562: 13h	665
417	DS(218)		MACRS 20-year real property, cost	4562: 13f	667
418	DS(219)		MACRS 20-year real property, method	4562: 13f	668
419	DS(220)		MACRS 20-year real property, deduction	4562: 13f	669
420	DS(221)		MACRS 07-year real property, cost	4562: 13c	670
421	DS(222)		MACRS 07-year real property, method	4562: 13c	671
422	DS(223)		MACRS 07-year real property, deduction	4562: 13c	672
423	DS(224)		Listed recovery property, cost	4562: 25/26	673
424	DS(225)		Listed recovery property, deduction	4562: 15	674
425	DS(226)		MACRS 15-year real property, cost	4562: 13e	676

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	TAX MODEL NAMES SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
426	DS(227)		MACRS 15-year real property, method	4562: 13e	677
427	DS(228)		MACRS 15-year real property, deduction	4562: 13e	678
428	DS(229)		MACRS deduction for assets prior to 1989		679
429	DS(230)		Sec. 168 nonrecovery property		680
430	DS(231)		Recovery prop, undetermined type, cost	4562: 13g	681
431	DS(232)		Recovery prop, undetermined type, ded.	4562: 13g	682
432	DS(233)		Total cost of recovery property (MACRS)	4562: 13h	683
433	DS(234)		Total current yr recovery property ded.	4562: 13h	684
434	DS(235)		Alternative Depreciation System (ADS) cost	4562: 14a	685
435	DS(236)		ADS class life, class	4562: 14a	686
436	DS(237)		ADS class life, deduction	4562: 14a	687
437	DS(238)		ADS 12 year, cost	4562: 14b	688
438	DS(239)		ADS 12 year, deduction	4562: 14b	689
439	DS(240)		ADS 40 year, cost	4562: 14c	690
440	DS(241)		ADS 40 year, deduction	4562: 14c	691
441	DS(242)		Other nonrecovery property depreciation ded.	4562: 18	692
442	DS(243)		Total cost of current yr ADS property	4562: 15	693
443	DS(244)		Total cost of current yr ADS prop ded	4562: 14	694
444	DS(245)		Amortization ded. for prior year assets	4562: 22	695
445	DS(246)		Total depreciation deduction	4562: 19	696
446	DS(247)		Total cost of amortizable property	4562: 21c	697
447	DS(248)		Total amortization deductions	4562: 21f	698
448	DS(249)		Basis, capitalized	4562: 20	699
449	DS(250)		Total value IRA 12-13-89, primary	8606: 1	740
450	DS(251)		Basis in IRA, 12/31/88, primary	8606: 3	741
451	DS(252)		Total basis in IRA, primary	8606: 4	744
452	DS(253)		Nonded. current yr IRA contribution, primary	8606: 5	745
453	DS(254)		Net nonded. IRA contributions, primary	8606: 6	746
454	DS(255)		Basis of IRA before distribution, primary		748
455	DS(256)		Value of IRA end of tax year, primary	8606: 7	749
456	DS(257)		IRA distributions, current year, primary	8606: 8	750
457	DS(258)		Total value of IRA, primary	8606: 9	751
458	DS(259)		Nontaxable distributions for tax year, primary	8606: 11	753
459	DS(260)		Total basis in IRAs for 1989 and PY, primary	8606: 14	754
460	DS(261)		Basis in IRA end of tax year, primary	8606: 12	755
461	DS(262)		Total value of IRA 12/31/89, secondary	8606: 1	756
462	DS(263)		Basis in IRA, 12/31/88, secondary	8606: 3	757
463	DS(264)		Total basis in IRA, secondary	8606: 4	760
464	DS(265)		Nonded. current yr IRA contribution, secondary	8606: 5	761
465	DS(266)		Net nonded. IRA contributions, secondary	8606: 6	762
466	DS(267)		Basis in IRA before distribution, secondary		764
467	DS(268)		Value of IRA end of year, secondary	8606: 7	765
468	DS(269)		IRA distribution, current year, secondary	8606: 8	766

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. FORM:	LINE:	LOCATION IN ORIGINAL 89 SOI FILE
469	DS(270)		Total value of IRA, secondary	8606:	9	767
470	DS(271)		Nontaxable dististributions for tax year, secondary	8606:	11	768
471	DS(272)		Total basis in IRAS for 1989, secondary	8606:	14	769
472	DS(273)		Basis in IRAS 12/31/87, secondary	8606:	12	770
473	DS(274)		Ratio of nonded. IRAs to basis primary	8606:	10	771
474	DS(275)		Ratio of nonded. IRAs to basis secondary	8606:	10	772
475	DS(276)		Combined ratio of nonded. IRAs to basis			773
476	DS(277)		Total nonded. IRA contributions			774
477	DS(278)		Nonded. IRA contributions in current year			775
478	DS(279)		Total net nonded. IRA contributions			776
479	DS(280)		Combined IRA distributions during tax year			777
480	DS(281)		Total value of IRA at end of tax year			779
481	DS(282)		Total nontaxable distributions for tax year			780
482	DS(283)		Total basis in IRA at end of tax year			781
483	DS(284)		Eligible basis of building			783
484	DS(285)		Qualified basis of building			784
485	DS(286)		Credit for building			785
486	DS(287)		Total eligible basis			791
487	DS(288)		Total qualified basis			792
488	DS(289)		Total tentative credit			793
489	DS(290)		Flow-through credit			794
490	DS(291)		Current year credit			795
491	DS(292)		Credit limitation			796
492	DS(293)		Nondeductible housing credit			797
493	DS(294)		Low Income housing credit			798
494	DS(295)	+/-	Form 8801 taxable income	8801:	1	834
495	DS(296)		Adjustments and preference exclusions	8801:	2	835
496	DS(297)		Minimum tax credit/net operating loss	8801:	3	836
497	DS(298)		Total income form 8801	8801:	4	837
498	DS(299)		Form 8801 exemption amount	8801:	5	838
499	DS(300)		Phase-out exemption	8801:	6	839
500	DS(301)		Form 8801 adjustment income	8801:	7	840
501	DS(302)		Form 8801 net income	8801:	10	841
502	DS(303)		Form 8801 foreign tax credit	8801:	12	842
503	DS(304)		Form 8801 income tax before credits	8801:	14	843
504	DS(305)		Prior year alternative minimum tax			844
505	DS(306)		Net minimum tax on exclusion items	8801:	15	845
506	DS(307)		Carry forward min. tax credit from 1988	8801:	19	846
507	DS(308)		Unallowed nonconvential fuel credit	8801:	20	847
508	DS(309)	+/-	Adjusted net minimum tax	8801:	18	848
509	DS(310)		Form 8801 current yr inc. tax after credit	8801:	22	849
510	DS(311)		Allowable minimum tax carryforward	8801:	21	851
511	DS(312)		Carryforward of minimum tax credit	8801:	28	852

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
512	DS(313)		Form 8801 limited exemption amount	8801: 8	853
513	DS(314)		Form 8801 adjusted income limitation	8801: 9	854
514	DS(315)		Form 8801 limited net income	8801: 11	855
515	DS(316)		Tentative minimum tax on exclusion items	8801: 13	856
516	DS(317)		1st Child's taxable interest	8814: 1a	857
517	DS(318)		1st Child's tax exempt interest	8814: 1b	858
518	DS(319)		1st Child's gross dividends	8814: 2a	859
519	DS(320)		1st Nontaxable distributions	8814: 2b	860
520	DS(321)		1st Taxable dividends	8814: 2c	861
521	DS(322)		1st Total taxable income and dividends	8814: 5	863
522	DS(323)		1st Interest and dividends taxed at 15%	8814: 7	864
523	DS(324)		2nd Child's Taxable interest	8814: 1a	866
524	DS(325)		2nd Child's Tax-exempt interest	8814: 1b	867
525	DS(326)		2nd Child's Gross dividends	8814: 2a	868
526	DS(327)		2nd Nontaxable distributions	8814: 2b	869
527	DS(328)		2nd Taxable dividends	8814: 2c	870
528	DS(329)		2nd Net taxable interest and dividends	8814: 5	872
529	DS(330)		2nd Interest and dividends taxed at 15%	8814: 7	873
530	DS(331)		3rd Child's Taxable interest	8814: 1a	875
531	DS(332)		3rd Child's Tax-exempt interest	8814: 1b	876
532	DS(333)		3rd Child'' Gross dividends	8814: 2a	877
533	DS(334)		3rd Nontaxable distribution	8814: 2b	878
534	DS(335)		3rd Taxable dividends	8814: 2c	879
535	DS(336)		3rd Net taxable interest and dividends	8814: 5	881
536	DS(337)		3rd Interst and dividends taxed at 15%	8814: 7	882
537	DS(338)		+/- Comb Sch C: Gross (total) income (loss)	Sch C: 7	903
538	DS(339)		Comb Sch C: Gross receipts	Sch C: 1	904
539	DS(340)		Comb Sch C: Returns and allowances	Sch C: 2	905
540	DS(341)		+/- Comb Sch C: Net receipts	Sch C: 3	906
541	DS(342)		Comb Sch C: Cost of goods sold and/or operations	Sch C: 4	907
542	DS(343)		+/- Comb Sch C: Gross profit (loss)	Sch C: 5	908
543	DS(344)		+/- Comb Sch C: Other income	Sch C: 6	910
544	DS(345)		Comb Sch C: Total deductions	Sch C: 29	912
545	DS(346)		Comb Sch C: Advertising expenses	Sch C: 8	913
546	DS(347)		Comb Sch C: Bad debts	Sch C: 9	915
547	DS(348)		Comb Sch C: Car and truck	Sch C: 10	916
548	DS(349)		Comb Sch C: Total meals and entertainment	Sch C: 25b	917
549	DS(350)		Comb Sch C: Depletion	Sch C: 12	919
550	DS(351)		Comb Sch C: Depreciation	Sch C: 13	921
551	DS(352)		Comb Sch C: Commissions	Sch C: 11	923
552	DS(353)		Comb Sch C: Legal and professional services	Sch C: 18	924
553	DS(354)		Comb Sch C: Mortgage interest	Sch C: 17a	926
554	DS(355)		Comb Sch C: Other interest	Sch C: 17b	927

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY		DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
555	DS(356)		Comb Sch C:	Rent on machinery and equipment	Sch C: 21a	928
556	DS(357)		Comb Sch C:	Rent on other business property	Sch C: 21b	929
557	DS(358)		Comb Sch C:	Office expenses	Sch C: 19	930
558	DS(359)		Comb Sch C:	Pension and profit sharing plans	Sch C: 20	931
559	DS(360)		Comb Sch C:	Insurance	Sch C: 16	932
560	DS(361)		Comb Sch C:	Repairs	Sch C: 22	933
561	DS(362)		Comb Sch C:	Employee benefit programs	Sch C: 14	934
562	DS(363)		Comb Sch C:	Taxes	Sch C: 24	935
563	DS(364)		Comb Sch C:	Meals and entertainment deducted	Sch C: 25d	936
564	DS(365)		Comb Sch C:	Travel	Sch C: 25a	937
565	DS(366)		Comb Sch C:	Utilities	Sch C: 26	938
566	DS(367)		Comb Sch C:	Net wages	Sch C: 27	942
567	DS(368)		Comb Sch C:	Loss carryover from prior year		944
568	DS(369)		Comb Sch C:	Other deductions	Sch C: 28	945
569	DS(370)		+/- Comb Sch C:	Net profit (loss)	Sch C: 30	946
570	DS(371)		Comb Sch C:	Inventory, beginning of year	Sch C: 32	947
571	DS(372)		Comb Sch C:	Purchases	Sch C: 33	948
572	DS(373)		Comb Sch C:	Cost of labor	Sch C: 34	949
573	DS(374)		Comb Sch C:	Materials and supplies	Sch C: 35	950
574	DS(375)		Comb Sch C:	Other costs	Sch C: 36	951
575	DS(376)		Comb Sch C:	Inventory, end of year	Sch C: 38	952
576	DS(377)		Comb Sch C:	Business deductions		955
577	DS(378)		+/- Comb Sch C:	Business receipts		956
578	DS(379)		Comb Sch C:	Payroll		957
579	DS(380)		Comb Sch C:	Total interest		958
580	DS(381)		Comb Sch C:	Total meals and entertainment limit		960
581	DS(382)		Comb Sch C:	EIN		961
582	DS(383)		Comb Sch C:	Nondeductible Schedule C loss		962
583	DS(384)		+/- 1st Sch C:	Gross (total) income (loss)	Sch C: 7	963
584	DS(385)		1st Sch C:	Gross receipts	Sch C: 1	964
585	DS(386)		1st Sch C:	Returns and allowances	Sch C: 2	965
586	DS(387)		+/- 1st Sch C:	Net receipts	Sch C: 3	966
587	DS(388)		1st Sch C:	Cost of goods sold and/or operations	Sch C: 4	967
588	DS(389)		+/- 1st Sch C:	Gross profit (loss)	Sch C: 5	968
589	DS(390)		+/- 1st Sch C:	Other income	Sch C: 6	970
590	DS(391)		1st Sch C:	Total deductions	Sch C: 29	972
591	DS(392)		1st Sch C:	Advertising expenses	Sch C: 8	973
592	DS(393)		1st Sch C:	Bad debts	Sch C: 9	975
593	DS(394)		1st Sch C:	Car and truck	Sch C: 10	976
594	DS(395)		1st Sch C:	Total meals & Entertainment	Sch C: 25b	977
595	DS(396)		1st Sch C:	Depletion	Sch C: 12	979
596	DS(397)		1st Sch C:	Depreciation	Sch C: 13	981
597	DS(398)		1st Sch C:	Commissions	Sch C: 11	983

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598	DS(399)		1st Sch C:	Legal and professional service	Sch C: 18	984
599	DS(400)		1st Sch C:	Mortgage interest	Sch C: 17a	986
600	DS(401)		1st Sch C:	Other interest	Sch C: 17b	987
601	DS(402)		1st Sch C:	Rent on machine equipment	Sch C: 21a	988
602	DS(403)		1st Sch C:	Rent	Sch C: 21b	989
603	DS(404)		1st Sch C:	Office expenses	Sch C: 19	990
604	DS(405)		1st Sch C:	Pension and profit sharing plans	Sch C: 20	991
605	DS(406)		1st Sch C:	Insurance	Sch C: 16	992
606	DS(407)		1st Sch C:	Repairs	Sch C: 22	993
607	DS(408)		1st Sch C:	Employee benefit programs	Sch C: 14	994
608	DS(409)		1st Sch C:	Taxes	Sch C: 24	995
609	DS(410)		1st Sch C:	Meals and entertainment deducted	Sch C: 25d	996
610	DS(411)		1st Sch C:	Travel	Sch C: 25a	997
611	DS(412)		1st Sch C:	Utilities and telephone	Sch C: 26	998
612	DS(413)		1st Sch C:	Net wages	Sch C: 27	1002
613	DS(414)		1st Sch C:	Loss carryover from prior year		1004
614	DS(415)		1st Sch C:	Other deductions	Sch C: 28	1005
615	DS(416)	+/-	1st Sch C:	Net profit (loss)	Sch C: 30	1006
616	DS(417)		1st Sch C:	Inventory beginning of year	Sch C: 32	1007
617	DS(418)		1st Sch C:	Purchases	Sch C: 33	1008
618	DS(419)		1st Sch C:	Cost of labor	Sch C: 34	1009
619	DS(420)		1st Sch C:	Materials and supplies	Sch C: 35	1010
620	DS(421)		1st Sch C:	Other costs	Sch C: 36	1011
621	DS(422)		1st Sch C:	Inventory, end of year	Sch C: 38	1012
622	DS(423)		1st Sch C:	Business deductions		1015
623	DS(424)	+/-	1st Sch C:	Business receipts		1016
624	DS(425)		1st Sch C:	Payroll		1017
625	DS(426)		1st Sch C:	Total interest		1018
626	DS(427)		1st Sch C:	Total meals and entertainmnt limit		1020
627	DS(428)		1st Sch C:	EIN		1021
628	DS(429)		1st Sch C:	Nondeductible schedule C loss		1022
629	DS(430)	+/-	2nd Sch C:	Gross (total) income (loss)	Sch C: 7	1023
630	DS(431)		2nd Sch C:	Gross receipts	Sch C: 1	1024
631	DS(432)		2nd Sch C:	Returns and allowances	Sch C: 2	1025
632	DS(433)	+/-	2nd Sch C:	Net receipts	Sch C: 3	1026
633	DS(434)		2nd Sch C:	Cost of goods sold and/or operations	Sch C: 4	1027
634	DS(435)	+/-	2nd Sch C:	Gross profit (loss)	Sch C: 5	1028
635	DS(436)	+/-	2nd Sch C:	Other income	Sch C: 6	1030
636	DS(437)		2nd Sch C:	Total deductions	Sch C: 29	1032
637	DS(438)		2nd Sch C:	Advertising expenses	Sch C: 8	1033
638	DS(439)		2nd Sch C:	Bad debts	Sch C: 9	1035
639	DS(440)		2nd Sch C:	Car and truck	Sch C: 10	1036
640	DS(441)		2nd Sch C:	Total meals & entertainment	Sch C: 25b	1037

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY	DATA ITEM DESCRIPTION		CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
641	DS(442)		2nd Sch C:	Depletion	Sch C: 12	1039
642	DS(443)		2nd Sch C:	Depreciation	Sch C: 13	1041
643	DS(444)		2nd Sch C:	Commissions	Sch C: 11	1043
644	DS(445)		2nd Sch C:	Legal and professional service	Sch C: 18	1044
645	DS(446)		2nd Sch C:	Mortgage interest	Sch C: 17a	1046
646	DS(447)		2nd Sch C:	Other interest	Sch C: 17b	1047
647	DS(448)		2nd Sch C:	Rent on machine equipment	Sch C: 21a	1048
648	DS(449)		2nd Sch C:	Rent	Sch C: 21b	1049
649	DS(450)		2nd Sch C:	Office expenses	Sch C: 19	1050
650	DS(451)		2nd Sch C:	Pension and profit sharing plans	Sch C: 20	1051
651	DS(452)		2nd Sch C:	Insurance	Sch C: 16	1052
652	DS(453)		2nd Sch C:	Repairs	Sch C: 22	1053
653	DS(454)		2nd Sch C:	Employee benefit programs	Sch C: 14	1054
654	DS(455)		2nd Sch C:	Taxes	Sch C: 24	1055
655	DS(456)		2nd Sch C:	Meals and entertainment deducted	Sch C: 25d	1056
656	DS(457)		2nd Sch C:	Travel	Sch C: 25a	1057
657	DS(458)		2nd Sch C:	Utilities and telephone	Sch C: 26	1058
658	DS(459)		2nd Sch C:	Net wages	Sch C: 27	1062
659	DS(460)		2nd Sch C:	Loss carryover from prior year		1064
660	DS(461)		2nd Sch C:	Other deductions	Sch C: 28	1065
661	DS(462)	+/-	2nd Sch C:	Net profit (loss)	Sch C: 30	1066
662	DS(463)		2nd Sch C:	Inventory, beginning of year	Sch C: 32	1067
663	DS(464)		2nd Sch C:	Purchases	Sch C: 33	1068
664	DS(465)		2nd Sch C:	Cost of labor	Sch C: 34	1069
665	DS(466)		2nd Sch C:	Materials and supplies	Sch C: 35	1070
666	DS(467)		2nd Sch C:	Other costs	Sch C: 36	1071
667	DS(468)		2nd Sch C:	Inventory, end of year	Sch C: 38	1072
668	DS(469)		2nd Sch C:	Business deductions		1075
669	DS(470)	+/-	2nd Sch C:	Business receipts		1076
670	DS(471)		2nd Sch C:	Payroll		1077
671	DS(472)		2nd Sch C:	Total interest		1078
672	DS(473)		2nd Sch C:	Total meals and entertainment limit		1080
673	DS(474)		2nd Sch C:	EIN		1081
674	DS(475)		2nd Sch C:	Nondeductible Schedule C loss		1082
675	DS(476)	+/-	3rd Sch C:	Total income (loss)	Sch C: 7	1083
676	DS(477)		3rd Sch C:	Gross receipts	Sch C: 1	1084
677	DS(478)		3rd Sch C:	Returns and allowances	Sch C: 2	1085
678	DS(479)	+/-	3rd Sch C:	Net receipts	Sch C: 3	1086
679	DS(480)		3rd Sch C:	Cost of goods sold and/or operations	Sch C: 4	1087
680	DS(481)	+/-	3rd Sch C:	Gross profit (loss)	Sch C: 5	1088
681	DS(482)	+/-	3rd Sch C:	Other income	Sch C: 6	1090
682	DS(483)		3rd Sch C:	Total deductions	Sch C: 29	1092
683	DS(484)		3rd Sch C:	Advertising expenses	Sch C: 8	1093

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY	DATA ITEM DESCRIPTION		CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
684	DS(485)		3rd Sch C:	Bad debts	Sch C: 9	1095
685	DS(486)		3rd Sch C:	Car and truck	Sch C: 10	1096
686	DS(487)		3rd Sch C:	Total meals & entertainment	Sch C: 25b	1097
687	DS(488)		3rd Sch C:	Depletion	Sch C: 12	1099
688	DS(489)		3rd Sch C:	Depreciation	Sch C: 13	1101
689	DS(490)		3rd Sch C:	Commissions	Sch C: 11	1103
690	DS(491)		3rd Sch C:	Legal and professional service	Sch C: 18	1104
691	DS(492)		3rd Sch C:	Mortgage interest	Sch C: 17a	1106
692	DS(493)		3rd Sch C:	Other interest	Sch C: 17b	1107
693	DS(494)		3rd Sch C:	Rent on machine equipment	Sch C: 21a	1108
694	DS(495)		3rd Sch C:	Rent	Sch C: 21b	1109
695	DS(496)		3rd Sch C:	Office expenses	Sch C: 19	1110
696	DS(497)		3rd Sch C:	Pension and profit sharing plans	Sch C: 20	1111
697	DS(498)		3rd Sch C:	Insurance	Sch C: 16	1112
698	DS(499)		3rd Sch C:	Repairs	Sch C: 22	1113
699	DS(500)		3rd Sch C:	Employee benefit programs	Sch C: 14	1114
700	DS(501)		3rd Sch C:	Taxes	Sch C: 24	1115
701	DS(502)		3rd Sch C:	Meals and entertainment deducted	Sch C: 25d	1116
702	DS(503)		3rd Sch C:	Travel	Sch C: 25a	1117
703	DS(504)		3rd Sch C:	Utilities and telephone	Sch C: 26	1118
704	DS(505)		3rd Sch C:	Net wages	Sch C: 27	1122
705	DS(506)		3rd Sch C:	Loss carryover from prior year		1124
706	DS(507)		3rd Sch C:	Other deductions	Sch C: 28	1125
707	DS(508)		+/- 3rd Sch C:	Net profit (loss)	Sch C: 30	1126
708	DS(509)		3rd Sch C:	Inventory, beginning of year	Sch C: 32	1127
709	DS(510)		3rd Sch C:	Purchases	Sch C: 33	1128
710	DS(511)		3rd Sch C:	Cost of labor	Sch C: 34	1129
711	DS(512)		3rd Sch C:	Materials and supplies	Sch C: 35	1130
712	DS(513)		3rd Sch C:	Other costs	Sch C: 36	1131
713	DS(514)		3rd Sch C:	Inventory, end of year	Sch C: 38	1132
714	DS(515)		3rd Sch C:	Business deductions		1135
715	DS(516)		+/- 3rd Sch C:	Business receipts		1136
716	DS(517)		3rd Sch C:	Payroll		1137
717	DS(518)		3rd Sch C:	Total interest		1138
718	DS(519)		3rd Sch C:	Total meals and entertainment limitation		1140
719	DS(520)		3rd Sch C:	EIN		1141
720	DS(521)		3rd Sch C:	Nondeductible Schedule C loss		1142
721	DS(522)		Comb Sch F:	Cost of all purchased items (cash)	Sch F: 2	1144
722	DS(523)		Comb Sch F:	Total agricultural program payment	Sch F: 6a	1146
723	DS(524)		Comb Sch F:	Taxable agricultural program payments	Sch F: 6b	1147
724	DS(525)		Comb Sch F:	CCC-loans forftd or repaid with certif	Sch F: 7b	1148
725	DS(526)		Comb Sch F:	Total crop insurance proceeds	Sch F: 8a	1149
726	DS(527)		Comb Sch F:	Taxable crop insurance proceeds	Sch F: 8b	1150

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
727	DS(528)	+/- Comb Sch F:	Gross profit (loss)	Sch F: 11	1151
728	DS(529)	Comb Sch F:	Patronage dividends	Sch F: 5a	1153
729	DS(530)	Comb Sch F:	Custom machine hire	Sch F: 15	1155
730	DS(531)	Comb Sch F:	Mortgage interest	Sch F: 23a	1158
731	DS(532)	Comb Sch F:	Seeds and plants purchased	Sch F: 28	1161
732	DS(533)	Comb Sch F:	Supplies purchased	Sch F: 30	1163
733	DS(534)	Comb Sch F:	Gasoline, fuel, oil	Sch F: 21	1166
734	DS(535)	Comb Sch F:	Other farm expenses		1172
735	DS(536)	Comb Sch F:	Total deductions	Sch F: 35	1173
736	DS(537)	Comb Sch F:	Farm total receipts (accrual)	Sch F: 45	1176
737	DS(538)	+/- Comb Sch F:	Farm gross income/loss (accrual)	Sch F: 51	1177
738	DS(539)	+/- Comb Sch F:	Net farm profit (loss)	Sch F: 36	1180
739	DS(540)	Comb Sch F:	Agricultural program payments	Sch F: 40b	1182
740	DS(541)	Comb Sch F:	EIN		1186
741	DS(542)	1st Sch F:	Cost of all purchased items (cash)	Sch F: 2	1188
742	DS(543)	1st Sch F:	Gross agricultural program payments	Sch F: 6a	1190
743	DS(544)	1st Sch F:	Taxable Agricultural program payments	Sch F: 6b	1191
744	DS(545)	1st Sch F:	CCC-loans-forfeited-cash amount	Sch F: 7b	1192
745	DS(546)	1st Sch F:	Gross crop insurance-cash amount	Sch F: 8a	1193
746	DS(547)	1st Sch F:	Taxable crop insurance-cash	Sch F: 8b	1194
747	DS(548)	+/- 1st Sch F:	Gross profit (loss) (cash)	Sch F: 11	1195
748	DS(549)	1st Sch F:	Patronage dividends	Sch F: 5a	1197
749	DS(550)	1st Sch F:	Custom machine hire	Sch F: 15	1199
750	DS(551)	1st Sch F:	Mortgage interest	Sch F: 23a	1202
751	DS(552)	1st Sch F:	Seeds and plants purchased	Sch F: 28	1205
752	DS(553)	1st Sch F:	Supplies purchased	Sch F: 30	1207
753	DS(554)	1st Sch F:	Gasoline, fuel, oil	Sch F: 21	1210
754	DS(555)	1st Sch F:	Other farm expenses		1216
755	DS(556)	1st Sch F:	Total deductions	Sch F: 35	1217
756	DS(557)	1st Sch F:	Farm total receipts (accrual)	Sch F: 45	1220
757	DS(558)	+/- 1st Sch F:	Farm gross income/loss (accrual)	Sch F: 51	1221
758	DS(559)	+/- 1st Sch F:	Net farm profit (loss)	Sch F: 36	1224
759	DS(560)	1st Sch F:	Agricultural program payments	Sch F: 40b	1226
760	DS(561)	1st Sch F:	EIN		1230
761	DS(562)	2nd Sch F:	Cost of all purchased items	Sch F: 2	1232
762	DS(563)	2nd Sch F:	Gross agric prog pymt - cash amount	Sch F: 6a	1234
763	DS(564)	2nd Sch F:	Agricultural program payments	Sch F: 6b	1235
764	DS(565)	2nd Sch F:	CCC-loans-forfieted-cash amount	Sch F: 7b	1236
765	DS(566)	2nd Sch F:	Gross crop insurance - cash amount	Sch F: 8a	1237
766	DS(567)	2nd Sch F:	Taxable crop insurance (cash)	Sch F: 8b	1238
767	DS(568)	+/- 2nd Sch F:	Gross profit (loss) (cash)	Sch F: 11	1239
768	DS(569)	2nd Sch F:	Patronage dividends	Sch F: 5a	1241
769	DS(570)	2nd Sch F:	Custom machine hire	Sch F: 15	1243

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY		DATA ITEM DESCRIPTION	CROSS REF. FORM: LINE:	LOCATION IN ORIGINAL 89 SOI FILE
770	DS(571)		2nd Sch F:	Mortgage interest	Sch F: 23a	1246
771	DS(572)		2nd Sch F:	Seed and plants - prchd-amount	Sch F: 28	1249
772	DS(573)		2nd Sch F:	Suppliles purchased	Sch F: 30	1251
773	DS(574)		2nd Sch F:	Gasoline, fuel, oil	Sch F: 21	1254
774	DS(575)		2nd Sch F:	Other farm expenses		1260
775	DS(576)		2nd Sch F:	Total deductions		1261
776	DS(577)		2nd Sch F:	Farm total receipts (accrual)	Sch F: 45	1264
777	DS(578)		2nd Sch F:	Farm gross income/loss (accrual)		1265
778	DS(579)	+/-	2nd Sch F:	Net farm profit (loss)	Sch F: 36	1268
779	DS(580)		2nd Sch F:	Agricultural program payment	Sch F: 40	1270
780	DS(581)		2nd Sch F:	EIN		1274
781	DS(582)		Reserved			OTAC
782	DS(583)		Reserved			OTAC
783	DS(584)		Reserved			OTAC
784	DS(585)		Reserved			OTAC
785	DS(586)		Reserved			OTAC
786	DS(587)		Reserved			OTAC
787	DS(588)		Reserved			OTAC
788	DS(589)		Reserved			OTAC
789	DS(590)		Reserved			OTAC

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	TAX MODEL NAMES SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. ORIGINAL CPS NAME
1	ICPS(001)		Link Sequence Number	
2	ICPS(002)		File Sequence Number	
3	ICPS(003)		Number of Persons in Household	H-NUMPER
4	ICPS(004)		Household type	H-TYPE
5	ICPS(005)		Type of Living Quarters	H-LIVQRT
6	ICPS(006)		Tenure	H-TENURE
7	ICPS(007)		1960 Census State Code	HG-ST60
8	ICPS(008)		Persons in Household Under Age 15	HUNDER15
9	ICPS(009)		Children Covered by Medicare or Medicaid	HCMCARE
10	ICPS(010)		Number of Children Covered by Medicare or Medicaid	MCMCENO
11	ICPS(011)		Children Covered by Health Insurance (except Medicare or Medicaid)	HCHI
12	ICPS(012)		Number of Children Covered by Health Insurance	HCHINO
13	ICPS(013)		Children Covered by Insurance of Person not Living in Household	HCHINRH
14	ICPS(014)		Number of Children Covered by insurance of Person not in Household	HCHINNO
15	ICPS(015)		Persons in Household Age 5 to 18	HH5TO18
16	ICPS(016)		Children Receiving Free or Reduced Price Lunches	HFLUNCH
17	ICPS(017)		Public Housing Project	HPUBLIC
18	ICPS(018)		Reduced Rent, Federal, State, or Local gov. Paid Part of Cost	HLORENT
19	ICPS(019)		Medicare Coverage	HMCARE
20	ICPS(020)		Medicaid Coverage	HMCAID
21	ICPS(021)		Champus, VA, or Military Health Care	HCHAMP
22	ICPS(022)		Health Insurance Coverage	HHI-YN
23	ICPS(023)		Household Status	HHSTATUS
24	ICPS(024)		Persons in Household Under Age 18	HUNDER18
25	ICPS(025)		Primary: Expanded Relationship Code	A-EXPRRP
26	ICPS(026)		Primary: Age	A-AGE
27	ICPS(027)		Primary: Marital Status	A-MARITL
28	ICPS(028)		Primary: Sex	A-SEX
29	ICPS(029)		Primary: Veteran	A-VET
30	ICPS(030)		Primary: Highest Grade Attended	A-HGA
31	ICPS(031)		Primary: Highest Grade Completed	A-HGC
32	ICPS(032)		Primary: Race	A-RACE
33	ICPS(033)		Primary: Origin	A-REORGN
34	ICPS(034)		Primary: Hours Worked Last Week at All Jobs	A-HRS1
35	ICPS(035)		Reserved	
36	ICPS(036)		Reserved	
37	ICPS(037)		Reserved	
38	ICPS(038)		Primary: Labor Force Status Recode	A-LFSR
39	ICPS(039)		Primary: Experienced Labor Force Employment Status	A-EXPLF
40	ICPS(040)		Primary: Major Industry Code	A-MJIND
41	ICPS(041)		Primary: Major Occupation Code	A-MJOCC
42	ICPS(042)		Primary: Class of Worker Recode	A-RCOW

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	TAX MODEL NAMES SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. ORIGINAL CPS NAME
43	ICPS(043)		Primary: Weeks Worked	WKSWORK
44	ICPS(044)		Primary: Number of Employers	PHMEMPRS
45	ICPS(045)		Primary: Persons Living in House Last Year	MIGSAME
46	ICPS(046)		Primary: People Employed at Job	NOEMP
47	ICPS(047)		Primary: Supplemental Unemployment Benefits Received	SUBUC
48	ICPS(048)		Primary: Union Unemployment or Strike Benefits Received	STRKUC
49	ICPS(049)		Primary: Worker's Compensation Payments Type	WC-TYPE
50	ICPS(050)		Primary: Social Security Payments, Months Received	PAW-MON
51	ICPS(051)		Primary: Veterans' Payments, Type 1	VET-TYP1
52	ICPS(052)		Primary: Veterans' Payments, Type 2	VET-TYP2
53	ICPS(053)		Primary: Veterans' Payments, Type 3	VET-TYP3
54	ICPS(054)		Primary: Veterans' Payments, Type 4	VET-TYP4
55	ICPS(055)		Primary: Veterans' Payments, Type 5	VET-TYP5
56	ICPS(056)		Primary: Health Problem or a Disability Which Prevents Working	DIS-HP
57	ICPS(057)		Primary: Educational Assistance, Government	OED-TYP1
58	ICPS(058)		Primary: Educational Assistance, Scholarships, Grants etc.	OED-TYP2
59	ICPS(059)		Primary: Educational Assistance, Other	OED-TYP3
60	ICPS(060)		Primary: Medicare Coverage	MCARE
61	ICPS(061)		Primary: Medicaid Coverage	MCAID
62	ICPS(062)		Primary: Covered by Champus, VA, or Military Health Care	CHAMP
63	ICPS(063)		Primary: Private Health Insurance Plan Coverage	HI-YN
64	ICPS(064)		Primary: Health Insurance Plan Coverage in Own name	HIOWN
65	ICPS(065)		Primary: Health Insurance Plan offered through Employer or Union	HIEMP
66	ICPS(066)		Primary: Health Plan Portion Paid by Employer or Union	HIPAID
67	ICPS(067)		Primary: Spouse in Household	HIELSE1
68	ICPS(068)		Primary: Children in Household	HIELSE2
69	ICPS(069)		Primary: Children not in Household	HIELSE3
70	ICPS(070)		Primary: Others in Household	HIELSE4
71	ICPS(071)		Primary: Self only in Household	HIELSE5
72	ICPS(072)		Primary: Pension Plan Provided by Employer or Union	PENPLAN
73	ICPS(073)		Primary: Pension Plan Participant	PENINCL
74	ICPS(074)		Primary: Group Health Insurance, Including Dependents	COV-GH
75	ICPS(075)		Primary: Private Health Insurance, Including Dependents	COV-HI
76	ICPS(076)		Reserved	
77	ICPS(077)		Reserved	
78	ICPS(078)		Spouse: Expanded Relationship Code	A-EXPRRP
79	ICPS(079)		Spouse: Age	A-AGE
80	ICPS(080)		Spouse: Marital Status	A-MARITL
81	ICPS(081)		Spouse: Sex	A-SEX
82	ICPS(082)		Spouse: Veteran	A-VET
83	ICPS(083)		Spouse: Highest Grade Attended	A-HGA
84	ICPS(084)		Spouse: Highest Grade Completed	A-HGC
85	ICPS(085)		Spouse: Race	A-RACE

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	TAX MODEL NAMES SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. ORIGINAL CPS NAME
86	ICPS(086)		Spouse: Origin	A-REORGN
87	ICPS(087)		Spouse: Hours Worked Last Week at all Jobs	A-HRS1
88	ICPS(088)		Reserved	
89	ICPS(089)		Reserved	
90	ICPS(090)		Reserved	
91	ICPS(091)		Spouse: Labor Force Status Recode	A-LFSR
92	ICPS(092)		Spouse: Experienced Labor Force Employment Status	A-EXPLF
93	ICPS(093)		Spouse: Major Industry Code	A-MJIND
94	ICPS(094)		Spouse: Major Occupation Code	A-MJOCC
95	ICPS(095)		Spouse: Class of Worker Recode	A-RCOW
96	ICPS(096)		Spouse: Weeks Worked	WKSWORK
97	ICPS(097)		Spouse: Number of Employers	PHMEMPRS
98	ICPS(098)		Spouse: Persons Living in House Last Year	MIGSAME
99	ICPS(099)		Spouse: People Employed at Job	NOEMP
100	ICPS(100)		Spouse: Supplemental Unemployment Benefits Received	SUBUC
101	ICPS(101)		Spouse: Union Unemployment or Strike Benefits Received	STRKUC
102	ICPS(102)		Spouse: Worker's Compensation Payments, Type	WC-TYPE
103	ICPS(103)		Spouse: Social Security Payments, Months Received	PAW-MON
104	ICPS(104)		Spouse: Veterans' Payments, Type 1	VET-TYP1
105	ICPS(105)		Spouse: Veterans' Payments, Type 2	VET-TYP2
106	ICPS(106)		Spouse: Veterans' Payments, Type 3	VET-TYP3
107	ICPS(107)		Spouse: Veterans' Payments, Type 4	VET-TYP4
108	ICPS(108)		Spouse: Veterans' Payments, Type 5	VET-TYP5
109	ICPS(109)		Spouse: Health Problems or a Disability Which Prevents Working	DIS-HP
110	ICPS(110)		Spouse: Educational Assistance, Government	OED-TYP1
111	ICPS(111)		Spouse: Educational Assistance, Scholarships, Grants etc.	OED-TYP2
112	ICPS(112)		Spouse: Educational Assistance, Other	OED-TYP3
113	ICPS(113)		Spouse: Medicare Coverage	MCARE
114	ICPS(114)		Spouse: Medicaid Coverage	MCAID
115	ICPS(115)		Spouse: Covered by Champus, VA, or Military Health Care	CHAMP
116	ICPS(116)		Spouse: Private Health Insurance Plan Coverage	HI-YN
117	ICPS(117)		Spouse: Health Insurance Plan Coverage in Own Name	HIOwn
118	ICPS(118)		Spouse: Health Insurance Plan offered through Employer or Union	HIEMP
119	ICPS(119)		Spouse: Health Plan Portion Paid by Employer or Union	HIPAID
120	ICPS(120)		Spouse: Spouse in Household	HIELSE1
121	ICPS(121)		Spouse: Children in Household	HIELSE2
122	ICPS(122)		Spouse: Children not in Household	HIELSE3
123	ICPS(123)		Spouse: Others in Household	HIELSE4
124	ICPS(124)		Spouse: Self only in Household	HIELSE5
125	ICPS(125)		Spouse: Pension Plan Provided by Employer or Union	PENPLAN
126	ICPS(126)		Spouse: Pension Plan Participant	PENINCL
127	ICPS(127)		Spouse: Group Health Insurance, Including Dependents	COV-GH
128	ICPS(128)		Spouse: Private Health Insurance, Including Dependents	COV-HI

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY		DATA ITEM DESCRIPTION	CROSS REF. ORIGINAL CPS NAME
129	ICPS(129)			Reserved	
130	ICPS(130)			Reserved	
131	ICPS(131)			Spouse: Household Sequence Number	
132	ICPS(132)			Spouse: MSA or PMSA FIPS Code	H-SEQ
133	ICPS(133)			Spouse: Household Sequence Number	HG-MSAC
					PH-SEQ
134	CPS(001)			Food Stamps Value	
135	CPS(002)			Energy Assistance Income	HFDVAL
136	CPS(003)		+/-	Primary: Earnings Before Deductions, Value	HENGVAL
137	CPS(004)			Primary: Wage and Salary Earnings, Other, Value	ERN-VAL
138	CPS(005)			Primary: Total Wage and Salary Earnings Value	WS-VAL
139	CPS(006)		+/-	Primary: Own Business Self-employment Earnings, Other Work	WSAL-VAL
140	CPS(007)		+/-	Primary: Own Business Self-employment Earnings, Total Value	SE-VAL
141	CPS(008)		+/-	Primary: Farm Self-employment Earnings Value	SEMP-VAL
142	CPS(009)		+/-	Primary: Farm Self-employment Earnings, Total Value	FRM-VAL
143	CPS(010)			Primary: Unemployment Compensation	FRSE-VAL
144	CPS(011)			Primary: Workers Compensation -- Total Benefits	
145	CPS(012)			Primary: Workers Compensation -- Survivor Benefits	
146	CPS(013)			Primary: Workers Compensation -- Disability Benefits	
147	CPS(014)			Primary: Workers Compensation -- Other Benefits	
148	CPS(015)			Primary: Social Security Payments Received, Value	
149	CPS(016)			Primary: Supplemental Security Income	SS-VAL
150	CPS(017)			Primary: Public Assistance or Welfare Value Received	SSI-VAL
151	CPS(018)			Primary: Welfare Including AFDC	PAW-VAL
152	CPS(019)			Primary: General Assistance	
153	CPS(020)			Primary: Veteran's Benefits -- Total	
154	CPS(021)			Primary: Railroad Retirement -- Total Benefits	
155	CPS(022)			Primary: Railroad Retirement -- Survivor Benefits	
156	CPS(023)			Primary: Railroad Retirement -- Disability Benefits	
157	CPS(024)			Primary: Railroad Retirement -- Retirement Benefits	
158	CPS(025)			Primary: Private Pensions -- Total Benefits	
159	CPS(026)			Primary: Private Pensions -- Survivor Benefits	
160	CPS(027)			Primary: Private Pensions -- Disability Benefits	
161	CPS(028)			Primary: Private Pensions -- Retirement Benefits	
162	CPS(029)			Primary: Private Pensions -- Other Benefits	
163	CPS(030)			Primary: Federal Government Pensions -- Total Benefits	
164	CPS(031)			Primary: Federal Government Pensions -- Survivor Benefits	
165	CPS(032)			Primary: Federal Government Pensions -- Disability Benefits	
166	CPS(033)			Primary: Federal Government Pensions -- Retirement Benefits	
167	CPS(034)			Primary: Military Retirement -- Total Benefits	
168	CPS(035)			Primary: Military Retirement -- Survivor Benefits	
169	CPS(036)			Primary: Military Retirement -- Disability Benefits	

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. ORIGINAL CPS NAME
170	CPS(037)		Primary: Military Retirement -- Retirement Benefits	
171	CPS(038)		Primary: State+Local Govt. Pensions -- Total Benefits	
172	CPS(039)		Primary: State+Local Govt. Pensions -- Survivor Benefits	
173	CPS(040)		Primary: State+Local Govt. Pensions -- Disability Benefits	
174	CPS(041)		Primary: State+Local Govt. Pensions -- Retirement Benefits	
175	CPS(042)		Primary: Private Annuity Payments -- Total Benefits	
176	CPS(043)		Primary: Private Annuity Payments -- Survivor Benefits	
177	CPS(044)		Primary: Private Annuity Payments -- Disability Benefits	
178	CPS(045)		Primary: Private Annuity Payments -- Retirement Benefits	
179	CPS(046)		Primary: Income From Estates and Trusts	
180	CPS(047)		Primary: Income From IRA Distributions	
181	CPS(048)		Primary: Income From Insurance Distributions	
182	CPS(049)		Primary: Other Payments -- Survivor Benefits	
183	CPS(050)		Primary: Other Payments -- Disability Benefits	
184	CPS(051)		Primary: Other Payments -- Retirement Benefits	
185	CPS(052)		Primary: Other Payments -- not Classified	
186	CPS(053)		Primary: Interest Income	
187	CPS(054)		Primary: Dividend Income	
188	CPS(055)	+/-	Primary: Rental Income	
189	CPS(056)		Primary: Educational Assistance, Total Value	ED-VAL
190	CPS(057)		Primary: Child Support Payments Value	CSP-VAL
191	CPS(058)		Primary: Alimony Income Received	ALM-VAL
192	CPS(059)		Primary: Financial Assistance Income	FIN-VAL
193	CPS(060)	+/-	Spouse: Earnings Before Deductions, Value	ERN-VAL
194	CPS(061)		Spouse: Wage and Salary Earnings, Other, Value	WS-VAL
195	CPS(062)		Spouse: Total Wage and Salary Earnings Value	WSAL-VAL
196	CPS(063)	+/-	Spouse: Own Business Self-employment Earnings, Other Work	SE-VAL
197	CPS(064)	+/-	Spouse: Own Business Self-employment Earnings, Total Value	SEMP-VAL
198	CPS(065)	+/-	Spouse: Farm Self-employment Earnings Value	FRM-VAL
199	CPS(066)	+/-	Spouse: Farm Self-employment Earnings, Total Value	FRSE-VAL
200	CPS(067)		Spouse: Unemployment Compensation	
201	CPS(068)		Spouse: Workers Compensation -- Total Benefits	
202	CPS(069)		Spouse: Workers Compensation -- Survivor Benefits	
203	CPS(070)		Spouse: Workers Compensation -- Disability Benefits	
204	CPS(071)		Spouse: Workers Compensation -- Other Benefits	
205	CPS(072)		Spouse: Social Security Payments Received, Value	SS-VAL
206	CPS(073)		Spouse: Supplemental Security Income	SSI-VAL
207	CPS(074)		Spouse: Public Assistance or Welfare Value Received	PAW-VAL
208	CPS(075)		Spouse: Welfare Including AFDC	
209	CPS(076)		Spouse: General Assistance	
210	CPS(077)		Spouse: Veteran's Benefits -- Total	
211	CPS(078)		Spouse: Railroad Retirement -- Total Benefits	
212	CPS(079)		Spouse: Railroad Retirement -- Survivor Benefits	

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY	DATA ITEM DESCRIPTION	CROSS REF. ORIGINAL CPS NAME
213	CPS(080)		Spouse: Railroad Retirement -- Disability Benefits	
214	CPS(081)		Spouse: Railroad Retirement -- Retirement Benefits	
215	CPS(082)		Spouse: Private Pensions -- Total Benefits	
216	CPS(083)		Spouse: Private Pensions -- Survivor Benefits	
217	CPS(084)		Spouse: Private Pensions -- Disability Benefits	
218	CPS(085)		Spouse: Private Pensions -- Retirement Benefits	
219	CPS(086)		Spouse: Private Pensions -- Other Benefits	
220	CPS(087)		Spouse: Federal Government Pensions -- Total Benefits	
221	CPS(088)		Spouse: Federal Government Pensions -- Survivor Benefits	
222	CPS(089)		Spouse: Federal Government Pensions -- Disability Benefits	
223	CPS(090)		Spouse: Federal Government Pensions -- Retirement Benefits	
224	CPS(091)		Spouse: Military Retirement -- Total Benefits	
225	CPS(092)		Spouse: Military Retirement -- Survivor Benefits	
226	CPS(093)		Spouse: Military Retirement -- Disability Benefits	
227	CPS(094)		Spouse: Military Retirement -- Retirement Benefits	
228	CPS(095)		Spouse: State+Local Govt. Pensions -- Total Benefits	
229	CPS(096)		Spouse: State+Local Govt. Pensions -- Survivor Benefits	
230	CPS(097)		Spouse: State+Local Govt. Pensions -- Disability Benefits	
231	CPS(098)		Spouse: State+Local Govt. Pensions -- Retirement Benefits	
232	CPS(099)		Spouse: Private Annuity Payments -- Total Benefits	
233	CPS(100)		Spouse: Private Annuity Payments -- Survivor Benefits	
234	CPS(101)		Spouse: Private Annuity Payments -- Disability Benefits	
235	CPS(102)		Spouse: Private Annuity Payments -- Retirement Benefits	
236	CPS(103)		Spouse: Income From Estates and Trusts	
237	CPS(104)		Spouse: Income From IRA Distributions	
238	CPS(105)		Spouse: Income From Insurance Distributions	
239	CPS(106)		Spouse: Other Payments -- Survivor Benefits	
240	CPS(107)		Spouse: Other Payments -- Disability Benefits	
241	CPS(108)		Spouse: Other Payments -- Retirement Benefits	
242	CPS(109)		Spouse: Other Payments -- not Classified	
243	CPS(110)		Spouse: Interest Income	
244	CPS(111)		Spouse: Dividend Income	
245	CPS(112)	+/-	Spouse: Rental Income	
246	CPS(113)		Spouse: Educational Assistance, Total Value	ED-VAL
247	CPS(114)		Spouse: Child Support Payments Value	CSP-VAL
248	CPS(115)		Spouse: Alimony Income Received	ALM-VAL
249	CPS(116)		Spouse: Financial Assistance Income	FIN-VAL

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY	DESCRIPTION
1	CONS(001)		Motor Vehicles: Campers
2	CONS(002)		Motor Vehicles: New Cars
3	CONS(003)		Motor Vehicles: New Trucks
4	CONS(004)		Motor Vehicles: Used Cars
5	CONS(005)		Motor Vehicles: Used Trucks
6	CONS(006)		Motor Vehicles: Other Transportation
7	CONS(007)		Major Durables: Furniture and Other Major Durables
8	CONS(008)		Food at Home
9	CONS(009)		Food away from Home
10	CONS(010)		Shelter: Renter Shelter Expenses
11	CONS(011)		Fuels and Electricity: Electricity
12	CONS(012)		Fuels and Electricity: Electricity - Vacation Home
13	CONS(013)		Fuels and Electricity: Fuel Oil and Other (e.g., wood, coal)
14	CONS(014)		Fuels and Electricity: Fuel Oil and Other - Vacation Home
15	CONS(015)		Fuels and Electricity: Natural Gas
16	CONS(016)		Fuels and Electricity: Natural Gas - Vacation Home
17	CONS(017)		Utilities: Telephone
18	CONS(018)		Utilities: Water and other Public Services
19	CONS(019)		Utilities: Water and other Public Services - Vacation Home
20	CONS(020)		Semidurables: Other durable and semidurable household furnishings
21	CONS(021)		Miscellaneous Housing: Household Insurance
22	CONS(022)		Miscellaneous Housing: Household Insurance - Vacation Home
23	CONS(023)		Miscellaneous Housing: Household Operations and Repairs
24	CONS(024)		Domestic Services: (e.g., maid and gardening services)
25	CONS(025)		Clothing, Accessories, and Jewlery: Clothing
26	CONS(026)		Clothing, Accessories, and Jewlery: Watches and Jewlery
27	CONS(027)		Clothing, Accessories, and Jewlery: Other Apparel
28	CONS(028)		Gasoline and Oil: Diesel Fuel
29	CONS(029)		Gasoline and Oil: Gasoline
30	CONS(030)		Gasoline and Oil: Motor Oil
31	CONS(031)		Transportation Maintenance and Rental: Maintenance Services
32	CONS(032)		Transportation Maintenance and Rental: Rental Services
33	CONS(033)		Miscellaneous Transportation: Airline Fares
34	CONS(034)		Miscellaneous Transportation: Tolls
35	CONS(035)		Miscellaneous Transportation: Vehicle Insurance
36	CONS(036)		Miscellaneous Transportation: Tires
37	CONS(037)		Miscellaneous Transportation: Other Vehicle Equipment
38	CONS(038)		Miscellaneous Transportation: Bus and Train Fares (non-local)
39	CONS(039)		Purchased Local Transportation: Local Transit
40	CONS(040)		Purchased Local Transportation: Taxi Fares
41	CONS(041)		Health and Medical Care: Convalescent and Nursing Home Care
42	CONS(042)		Health and Medical Care: Dental Services
43	CONS(043)		Health and Medical Care: Eyeglasses

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY	DESCRIPTION
44	CONS(044)		Health and Medical Care: Hospital Expenses
45	CONS(045)		Health and Medical Care: Health Insurance Excluding Medicare
46	CONS(046)		Health and Medical Care: Medicare
47	CONS(047)		Health and Medical Care: Medical Equipment
48	CONS(048)		Health and Medical Care: Nursing Services
49	CONS(049)		Health and Medical Care: Other Medical Services
50	CONS(050)		Health and Medical Care: Perscription Medicine
51	CONS(051)		Tobacco: Cigarettes
52	CONS(052)		Tobacco: Other Tobacco Products
53	CONS(053)		Alcohol: Alcohol at Restaurants
54	CONS(054)		Alcohol: Beer and Wine at Home
55	CONS(055)		Alcohol: Alcohol on Trips
56	CONS(056)		Alcohol: Other Alcohol at Home
57	CONS(057)		Education: Day Care
58	CONS(058)		Education: Books, Supplies, and Other General Education
59	CONS(059)		Education: Tuition
60	CONS(060)		Religion and Welfare: Contributions
61	CONS(061)		Religion and Welfare: Home Care for Children
62	CONS(062)		Religion and Welfare: Home Care for Invalids
63	CONS(063)		Miscellaneous: Personal Care Services
64	CONS(064)		Miscellaneous: Electronic Equipment
65	CONS(065)		Miscellaneous: Boats
66	CONS(066)		Miscellaneous: Other Entertainment (and Sports) Equipment
67	CONS(067)		Miscellaneous: Hunting and Fishing Equipment
68	CONS(068)		Miscellaneous: Sports Fees and Admissions
69	CONS(069)		Miscellaneous: Personal Business Services
70	CONS(070)		Miscellaneous: Business Fees
71	CONS(071)		Miscellaneous: Non-Health Insurance
72	CONS(072)		Non-Targeted CES Items: Food Received as Pay
73	CONS(073)		Non-Targeted CES Items: Finance (Including Mortgage Interest)
74	CONS(074)		Non-Targeted CES Items: Finance - Vacation Home
75	CONS(075)		Non-Targeted CES Items: Lawn Equipment and Other Yard Machinery
76	CONS(076)		Non-Targeted CES Items: Rent Received as Pay
77	CONS(077)		Non-Targeted CES Items: Owner Shelter Expenses
78	CONS(078)		Non-Targeted CES Items: Other Housing
79	CONS(079)		Non-Targeted CES Items: Shelter Expenses - Vacation Home
80	CONS(080)		Non-Targeted CES Items: Property Taxes
81	CONS(081)		Non-Targeted CES Items: Property Taxes - Vacation Home
82	CONS(082)		Non-Targeted CES Items: Pensions and Social Security Deductions
83	CONS(083)		Non-Targeted CES Items: Transportation (Licensing) Fees
84	CONS(084)		Non-Targeted CES Items: Transportation Finance
85	CONS(085)		Non-Targeted CES Items: Miscellaneous Finance
86	CONS(086)		Non-Targeted CES Items: Life Insurance

Treasury Individual Income Tax Model Record Layout -- W-2 Information Returns Companion File

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY	DESCRIPTION	CROSS REF. BOX NUM.
1	IW2(001)	IDCODE	Information Return Document Code	
2	IW2(002)	IAMEND	Amended Return Indicator	
3	IW2(003)	ITINVAL	Payee Tin Type	
4	IW2(004)	IYR	Filing Year	
5	IW2(005)	IPENPLN	Employer Contribution To Pension Indicator	
6	IW2(006)	IPGR	Pension/IRA Plan Indicator	
7	IW2(007)	IEMPLOY	Kind of Payer (for FICA Taxes)	
8	IW2(008)	ILEGAL	Legal Representative Indicator	
9	IW2(009)	IDEATH	Death Indicator	
10	IW2(010)	ISTATE_W2	State Code	
11	IW2(011)	NCOU_W2	Information Returns File Sequence Number	
12	IW2(012)	IRETID_W2	Information Returns Return Identifier	
13	IW2(013)	ISSNP	Social Security Number - Primary	
14	IW2(014)	ISEL	Selection Social Security Number	
15	IW2(015)	ITIN	Payer Identification Number	
16	W2(001)	WAGE	W-2: Wage amount	Box 10
17	W2(002)	TIPS	W-2: Allocated Tips	Box 6
18	W2(003)	WITH	W-2: Tax Withheld	Box 9
19	W2(004)	FICATAX	W-2: FICA Taxes Withheld	Box 11
20	W2(005)	FICAWAS	W-2: Taxable FICA wages	Box 13
21	W2(006)	FICATIP	W-2: Taxable FICA tips	Box 14
22	W2(007)	ADVEITC	W-2: Advanced Earned Income Credit	Box 7
23	W2(008)	DEPCARE	W-2: Dependent Care Expenses	Box 16mar
24	W2(009)	GRPENS	W-2P: Gross Pensions and Annuities	Box 9
25	W2(010)	TXPENS	W-2P: Taxable Pensions and Annuities	Box 10
26	W2(011)	WITHPENS	W-2P: Tax Withheld	Box 11

Treasury Individual Income Tax Model Record Layout -- 1099-SSA,1099-RRB Information Returns Companion File

DATA ITEM NO.	TAX MODEL NAMES PRIMARY	SECONDARY	DESCRIPTION
1	ISSA(001)	IDCODE	Information Return Document Code
2	ISSA(002)	IAMEND	Amended Return Indicator
3	ISSA(003)	ITINVAL	Payee Tin Type
4	ISSA(004)	IYR	Filing Year
5	ISSA(005)	ISTATE_SS	State Code
6	ISSA(006)	ITRUST	Trust Fund Indicator
7	ISSA(007)	INDSSA	SSA / RRB Indicator
8	ISSA(008)	NCOU_SS	Information Returns File Sequence Number
9	ISSA(009)	IRETID_SS	Information Returns Return Identifier
10	ISSA(010)	ISSNP	Social Security Number - Primary
11	ISSA(011)	ISEL	Selection Social Security Number
12	SSA(001)	PENS_SS	Benefits Paid
13	SSA(002)	WITH_SS	Amounts Withheld
14	SSA(003)	REPAY	Repayments (Benefits repaid to SSA)
15	SSA(004)	WORKC	Workman's Compensation Offset
16	SSA(005)	TY88P	Tax year 1988 Payments
17	SSA(006)	TY87P	Tax year 1987 Payments
18	SSA(007)	TY86P	Tax year 1986 Payments
19	SSA(008)	TY85P	Tax year 1985 Payments

APPENDIX 2-A

ADDITIONAL TAX MODEL VARIABLES

The Tax Model data base contains several variables which were created by combining or transforming one or more variables on the original SOI file. These variables are listed below.

Tax Model Names		
Primary	Secondary	Description
M(40)	JS	Filing status converted from M(22), Marital Status.
M(41)	MFSEXM	Spouse Exemption Flag for MFS returns.
M(42)	IFDEPT	Dependent filer indicator converted from M(6), Dependent Status Indicator
M(43)	IDEDX	Itemized deduction code from calculator.
M(44)	IDEDO	Itemized deduction code converted from M(9), Form of Deduction code.
M(45)	I8814	Number of children with investment income and paying tax using Form 8814 (Parent's Elective Kiddy Tax).
M(46)	I8615	Form 8615 indicator (Kiddy Tax) converted from non-zero data fields from Form 8615.
M(47)	JSH	Filing status of parent of a kiddy tax filer.
M(48)	MFSEXMH	Spouse Exemption Flag for the MFS parent of a kiddy tax filer.
M(49)	NOEITC	Flag indicating that no EITC was claimed by the return even though the return appeared to be eligible.
M(50)	AGEP	Age of primary taxpayer.
M(51)	AGES	Age of spouse.

APPENDIX 2-A (Continued)

ADDITIONAL TAX MODEL VARIABLES

Tax Model Names		
Primary	Secondary	Description
M(52)	IAGEFG	Age match/imputation flag.
M(53)	J2ERNFG	Earning split imputation flag.
M(54)	INFANT	Return with infant under 1 year of age flag.
M(55)	IHEALTH	Indicator for returns with health insurance expenses that cover a dependent child.
M(56)	IECPEN	Flag indicating the presense of an employee pension plan.
IDENT(1)	RETNO	Consecutive Return Number.
IDENT(2)	RETID	SOI's return identifier. The field was extracted from a 3-byte comp (integer) field.
D(1)	WT	Return weight calculated from the SOI's Decimal Weight field and by dividing by 100 and converting to a floating point field.
D(2)	DMFS	Married Filing Separate Flag calculated from M(15), Marital Status, 0.5 if MFS, 1.0 otherwise.
D(10)	AGEDE	Number of taxpayers on the return aged 65 or over.
D(11)	BLNDE	Number of blind taxpayers on the return.
D(38)	RESID	Combined amount of the minor sources of income calculated as TOTINCX less (WAS+ CGAGIX+BIL+FIL+INTST+DBE+SCHE+SSAGIX).
D(39)	WASP	Wages of primary taxpayer.
D(40)	WASS	Wages of spouse.
D(41)	SEEP	Self-employment earnings of primary.

APPENDIX 2-A (Continued)

ADDITIONAL TAX MODEL VARIABLES

Tax Model Names		Description
Primary	Secondary	
D(42)	SEES	Self-employment earnings of spouse.
D(43)	SHARES	Spouse's share of wages.
D(44)	FELLOW	Fellowship and other income included in a dependent's "other income" and treated as earned income.
D(56)	ADJUST	Combined amount of the minor adjustments to AGI and calculated as TTADJ less (HEALSE+ADJIRA)
D(63)	DX	Greater of total itemized deductions or the standard deduction
D(72)	TFTC	Tentative Foreign Tax Credit equal to the original amount of FTC claimed by the return.
D(75)	TTMICR	Total mortgage investment credit before deductions.
D(76)	TMICR	Total tentative investment credit.
D(84)	TAXAX	Final Federal individual income tax liability.
D(88)	SECATX	Calculated SECA tax liability.
D(100)	EICKID	Flag for a child being claimed for EITC purposes only.
D(101)	UEICEI	Unaccounted for earned income for EITC purposes.
D(137)	CCLIM	Disallowed charitable contributions.
D(141)	TTCASU	Total theft and casuality losses.
D(153)	CYSTG	Current year short-term capital gains.
D(154)	CYSTL	Current year short-term capital losses.
D(168)	CYLTG	Current year long-term capital gains.

APPENDIX 2-A (Continued)

ADDITIONAL TAX MODEL VARIABLES

Tax Model Names		
Primary	Secondary	Description
D(169)	CYLTL	Current year long-term capital losses.
D(176)	TCGA	Long-term capital gains in excess of short-term losses.
D(177)	CGDNRD	Capital gains distributions (before exclusion) reported on 1040.
D(178)	INLCGX	Long-term capital gains in AGI.
D(222)	RENT	Net rental income/loss.
D(223)	D_RENTL	Disallowed passive rental losses.
D(224)	PART	Net partnership income/loss.
D(225)	D_PARTL	Disallowed passive partnership losses.
D(226)	SBC	Net S Corporation income/loss.
D(227)	D_SBCL	Disallowed passive S Corproation losses.
D(228)	ESTU	Net estate and trust income/loss.
D(229)	D_ESTL	Disallowed passive estate and trust losses.
D(230)	D_FARML	Disallowed passive farm losses.
D(231)	D_SCHCL	Disallowed passive schedule C business losses.
D(232)	D_FRNTL	Disallowed passive farm rental losses.
D(233)	D_CAPL	Disallowed passive capital losses.
D(234)	TAPL	Total allowed passive losses.
D(235)	D_TAPL	Total disallowed passive losses.
D(250)	CCQI	Number of qualifying child care dependents.
D(287)	DMFSH	Married filing separate flag for parent of 8615 filer.

APPENDIX 2-A (Continued)

ADDITIONAL TAX MODEL VARIABLES

Tax Model Names		Description
Primary	Secondary	
D(288)	XEXEMH	Exemptions claimed by parent of 8615 filer.
D(289)	TXKIDX	Total kiddy tax liability.
D(290)	STXKID	State+local tax deductions claimed by 8615 filer.
D(310)	PREFAJ	Miscellaneous AMT adjustment items.
D(311)	AMTAJ	Calculated total AMT adjustment items.
D(312)	UCAMTI	AMT income with unknown source.
D(313)	UCNOL	Unaccounted for net operating losses.
D(322)	AMTUEXM	Unused AMT exemption by 8615 filers.
D(383)	DIKID4	Dividends and interest by 4+ child subject to the parents' elective kiddy tax.
D(384)	PEKID4	Parents' elective kiddy tax liability by investment income of the 4+ child.
D(409)	AFARMG	Active Farm Income.
D(410)	AFARML	Active Farm losses.
D(411)	PFARMG	Passive Farm Income.
D(412)	PFARML	Passive Farm losses.
D(413)	ASCHCG	Active Schedule C business income.
D(414)	ASCHCL	Active Schedule C business losses.
D(415)	PSCHCG	Passive Schedule C business income.
D(416)	PSCHCL	Passive Schedule C business losses.

APPENDIX 2-B

ANOMALIES IN THE 1989 DATA BASE

This section lists the major anomalies that were encountered on the 1989 Individual SOI sample and addresses how these anomalies were edited to produce a "clean" sample. The treatment of each anomaly was determined by answering the following series of questions:

(A) Is the anomaly the result of an infrequently exercised provision of the tax code? If so, will the inclusion of this provision sufficiently increase the accuracy of the Tax Model without unduly complicating the use of the Model?

(B) Is the anomaly the result of an administrative practice employed by the Internal Revenue Service? If so, what are the costs and benefits of including this practice in the Tax Model? If the costs are prohibitive, can part of the benefits be captured at a lower cost by approximating the administrative practice?

(C) Is the anomaly the result of incomplete information on the SOI file? If so, what are the costs and benefits of recreating or imputing the missing information?

(D) Is the anomaly the result of taxpayer ignorance? If so, how will the assumption of rationality affect the tax revenues generated by the Model?

(E) Is the anomaly the result of a mathematical error made by the taxpayer or tax preparer? If so, these are corrected.

(F) Is the anomaly due to "rounding" error by the Tax Model, the taxpayer, or IRS? If the discrepancy is within specified limits (e.g., $25), the relevant values produced by the Tax Model are assumed to be correct.

(G) Is the anomaly unexplainable by any other means? If so, the Tax Model results are assumed to be true and correct.

The anomalies encountered on the SOI file are documented below.

(1) FILING PERIOD: The 1989 SOI contains 3223 (2.9 percent) late or amended tax returns whose filing period is other than 1989 calendar year. Because these returns must be retained to maintain the representativeness of the sample, and because the inclusion of separate tax calculators for prior year returns would unduly complicate the use of the Tax Model, each late or amended return is recalculated under the 1989 tax code.

Total calculated tax liability from Version 12 of the Individual Income Tax Model differs with actual tax reported on the 1989 SOI file by approximately $190 million or .04 percent. Of this amount, prior year returns account for $166 million.

(2) FILING STATUS: Returns filing as a qualified widow are reclassified as a joint return.

(3) CAPITAL GAINS: The Tax Model does not calculate the same amount of capital gains in AGI as reported by the taxpayer in 5 cases. In most cases, the taxpayer did not use all available capital loss carry-overs.

(4) SOCIAL SECURITY BENEFITS: The income threshold for including Social Security benefits in AGI varies for Married-Filing-Separate (MFS) returns, depending on whether the taxpayer lives with his spouse. The threshold is assumed to be zero for MFS returns who did not claim a spousal exemption. Here, 24 returns are erroneously calculated.

In 17 other cases, the Tax Model's calculation of Social Security benefits in AGI did not match the taxpayer's reported value. Taxpayer error is believed to be the culprit.

(5) ALLOWED PASSIVE LOSSES: As reported on Form 8562, a taxpayer may claim up to $25,000 of rental losses. However, the $25,000 maximum is phased out starting at $150,000 of AGI without regard to passive income. A value for income with unknown source is created so that the simulated value of AGI without passive income equals the actual reported amount. Some 6065 returns with rental losses are given this income balancing amount.

Special rules apply for MFS returns, and depend on whether the spouses lived with each other. For 15 MFS returns, the Tax Model does not calculate the same amount of allowed passive losses as reported by the taxpayer.

(6) IRAs: One return on the 1989 SOI file had an IRA deduction greater than the maximum allowed. It was assumed that the value was a misreported KEOGH. So, the value was transferred to the KEOGH field.

In 9 other cases, the IRA value for the primary taxpayer on a joint return was between $2,250 and $4000, while the value for the spouse was zero. In these cases, the IRA value for the primary was changed to $2,000 and the remainder was given to the spouse.

(7) FORM OF DEDUCTION: Returns which have an IRS classification of "no standard deduction or itemized deductions" are reclassified as simply non-itemizers.

(8) ITEMIZED DEDUCTIONS FOR RETURNS WITH NEGATIVE AGI: SOI normally zeros out the deduction fields for those returns that itemized and had an AGI value less than or equal to zero. The fields are recreated, with a high degree of accuracy, using the "original" taxpayer data fields provided by SOI. The amounts of itemized deductions were restored for 3618 returns with negative AGI.

(9) ELECTION TO ITEMIZE: Some 70 returns elected to itemize rather than take the benefit of the standard deduction which would have yielded a lower tax liability. There are two tax-minimizing cases where this can occur; (a) the taxpayer is required by the Federal tax law, and (b) the taxpayer's state tax return requires that he claim itemized deductions on his Federal tax return.

These returns are allowed to continue to itemize, and are not allowed to convert and use the standard deduction amount. This implies that these returns will always itemize, even under Tax Model simulations where the definition of one or more itemized deductions changes, or the level of the standard deduction amount changes.

(10) FELLOWSHIP INCOME: A dependent taxpayer's standard deduction is the greater of $500 or earned income up to the standard deduction for a non-dependent return. However, certain scholarships and fellowships may be counted as earned income for the purposes of calculating the standard deduction. This income is often reported as "other income." The "other income" amount was converted to "fellowship income" for those dependent taxpayers who had a standard deduction greater than $500 and greater than wages plus self-employment income. Some 80 dependent filers have an amount for fellowship income.

(11) TAXABLE INCOME: The Tax Model does not hit the reported amount of taxable income for 9 returns. The most common case here is an erroneously calculated standard deduction for dependent filers.

(12) TAX TABLES: Returns with taxable income less than $50,000 determine their tax from the tax tables and therefore, have a tax liability that is calculated at the mid-point of the bracket in the tables. Since the Tax Model calculates tax liability by using the tax rate schedules, the Model's final tax liability can differ from the reported liability by as much as $7.

Although the tax tables could be used in the Model, they are an impractical computational method when numerous proposals involving tax rate schedules are under consideration. Since it is more practical and easier to employ the tax rate schedules, the tax calculated by the Model's tax rate schedules is used in lieu of the tax reported on the 1989 data sample. Further, the above liability errors are relatively small and tend to cancel each other when aggregated.

(13) TAX BEFORE CREDITS: The Tax Model does not calculate the same tax before credit amount as reported for one high-income MFS return. Taxpayer error is probably the culprit.

(14) REGULAR KIDDY TAX: The so-called kiddy tax is a new provision, imposed by the Tax Reform Act of 1986 (TRA), and applies to children under the age of 14 with investment income over $1000. The provision specifies that taxes on investment income be no less than if the excess income was included on the parent's return. This special tax computation is reported on Form 8615. The Tax Model does not calculate the same tax as actually reported for 12 children filers.

(15) PARENT'S ELECTIVE KIDDY TAX: Beginning in 1989 parents with children under the age of 14 may use Form 8814 and elect to incorporate the tax liability of the child on their own return. The SOI file contains the information necessary to simulate Form 8814 for the first three children with investment income. The SOI file contains 8 returns with four or more children with investment income.

(16) ELDERLY CREDIT: The elderly and disability credit generated by the Tax Model does not equal the value for the credit on 4 returns. The most common reason for this anomaly appears to be missing taxable disability income payments.

(17) GENERAL BUSINESS CREDIT: The 1989 SOI contains two returns with an unused general business credit (e.g., the returns were apparently entitled to a general business credit greater than what they actually claimed). In the simulations, the returns are assumed to take the full amount of the credit.

(18) MORTGAGE INVESTMENT CREDIT: The 1989 SOI file contains 39 returns with a mortgage investment credit. On one return, the credit form indicator, F8396, was set to zero. The value was changed to one. Eight returns had a zero value for the tentative mortgage credit before reductions. For five other returns, the

tentative mortgage credit before reductions was positive but less than the final mortgage investment credit. In these thirteen cases, the tentative credit was set equal to the final mortgage credit.

(19) TOTAL CREDITS: In general, a credit cannot generate an AMT liability. That is, credits are generally allowed to up to the amount that regular taxes exceed tentative AMT liabilities (determined without regard to any AMT foreign tax credits). In many cases, the taxpayer did not account for tentative AMT taxes in determining his credits. In other cases where credits are disallowed, certain stacking rules apply. Personal credits are used before non-personal credits, which are used before the prior year AMT credit. In some cases, a taxpayer disallowed a personal credit before disallowing all business credits or prior year AMT credits.

(20) OTHER CREDITS: The 1989 SOI file has 621 returns with a value in the Other Credit field. While the source of "Other Credits" is unknown, the Orphan Drugs Credit and the Alternative Fuels Credit are likely candidates. Unlike other credits, these two credits can offsets AMT liabilities as well as regular tax liabilities. For simplicity, the Other Credit field can offset both regular and AMT liabilities.

(21) ALTERNATIVE MINIMUM TAX: Data fields relating to the AMT have more anomalies and inconsistencies than any other data fields on the SOI file. This, combined with legal and reporting complexities make the AMT the most difficult provision in the Tax Model to simulate. Further, the SOI generally does not ensure that data from one schedule is consistent with data on another schedule. As a result, some returns have a reported AMT value on Form 1040 that cannot be generated or reconciled with the fields reported on Form 6251, the form used to compute the AMT. However, SOI always tries to preserve 1040 fields whenever possible. So, when inconsistencies arise, the 1040 fields are assumed to be correct.

The 1989 SOI contains 105 returns with a zero value in the field indicating that no Form 6251 was present, but where the return's tentative AMT liability was clearly determining his final tax after credits. In other words, the return probably did file a Form 6251. In these cases, the AMT indicator flag, I6251, was set to a value of 2.

Foreign tax credits (FTCs) can offset up to 90% of a return's tentative AMT liability. However, FTCs for regular tax purposes do not always equal FTCs reported on Form 6251 and used for AMT purposes. Thus, the Tax Model uses two FTC values, the first offsets regular tax liability and the second offsets tentative AMT liability.

Unmarried tax filers receive, subject to an income phase-out, an AMT exemption of $30,000. However, children under the age of 14 receive an exemption amount of $1000 plus their earned income or the full $30,000; the amount depends on tax situation of the child's parent. For simulation purposes, an additional AMT exemption amount is given to child filers equal to the difference between the actual AMT exemption claimed by child and the sum of $1000 plus the child's earned income. There are 227 child returns on the Tax Model's data file with this additional AMT exemption amount.

The strategy for correcting any remaining AMT anomalies was to create three catch-all variables which combine to capture all anomalies and inconsistencies. These variables are then added to AMT taxable income.

The first variable is the difference between reported AMT adjustments and those AMT adjustments simulated by the Tax Model. Among other things, this variable captures any inconsistencies between itemized deductions reported for regular tax purposes and those reported for AMT purposes.

Some returns do not fully use their net operating losses (NOLs), while other returns use more NOLS than that reported on lines 2 and 7 of Form 6251. These two phenomena probably arise because of the confusing rules and reporting requirements of NOLS. The second balancing variable is the difference between the reported NOL adjustment (line 7 of Form 6251) and the amount actually used.

The third balancing variable captures any other remaining anomalies. To calculate this variable, two estimates of AMT taxable income are calculated. The first calculates the income directly by combining AGI (less state and local income tax refunds), AMT adjustments, AMT preferences and the two AMT balancing variables described above. The second method calculates the AMT taxable income indirectly by taking tentative AMT liability and working backwards to determine the income needed to generate the liability. The difference between the two methods is AMT income with an unknown source.

(22) EARNED INCOME TAX CREDIT: The Earned Income Tax Credit (EITC) is recalculated using reported wages and self-employment income from Schedule SE. A value for earned income with an unknown source is created by taking the difference between these two earned income sources and the amount of earned income needed to exactly replicate the credit amount.

In order to claim the EITC, the taxpayer must have lived with an eligible child for more than half the tax year. However, the child does not necessarily need to be claimed as a dependent. Thus, the SOI file contains returns without dependent children who claim the EITC. The Tax Model assumes that these returns are legitimate. A flag is generated for 334 returns to indicate a child is present for EITC purposes.

Some 267 returns did not claim the earned income credit, although they appear qualified. In general, these returns have a small amount of earned income combined with a negative AGI amount. The Tax Model assumes that these returns do not qualify for the EITC for some unreported reason. A flag is generated for these returns. The Tax Model always excludes these returns from receiving an EITC.

APPENDIX 2-C

CODED DATA ITEMS IN THE BASE FILE

Array Name	IRS Name	Description of Coded Item	Code
M(1)	AGEP	PRIMARY OVER 65 INDICATOR	
		(A) Primary taxpayer is not aged 65 or older	0
		(B) Primary taxpayer is aged 65 or older	1
M(2)	APC	ACTIVE RENTAL PARTICIPATION CODE	
		(A) "No" or no boxes checked for all rental property	0
		(B) "Yes" boxes checked	1-9
M(3)	ASAMP	ACTUAL SAMPLING CODE	
		(See Table 2-C.1 for values)	
M(4)	DGROUP	SAMPLING GROUP	
		(See Table 2-C.2 for values)	
M(5)	DIST	DISTRICT	
		(See Table 2-C.2 for values)	
M(6)	DSI	DEPENDENT STATUS INDICATOR	
		(A) Taxpayer not being claimed	0
		(B) Taxpayer being claimed	1
M(7)	EDCDE	EDIT CODE	
		(A) Unedited return (no edited fields present)	0
		(B) Edited return	1
M(8)	FBI	FRINGE BENEFIT INDICATOR	
		(A) The initials "FB" are not present to the left of line 7 (wages and salaries)	0
		(B) The initials "FB" are present to the left of line 7 (wages and salaries)	1
M(9)	FDED	FORM OF DEDUCTION	
		(A) Itemized deductions claimed	1
		(B) Standard deduction claimed	2
		(C) Taxpayer did not itemize or claim the standard deduction	3

TABLE 2-C.1

SAMPLE CODE VALUES (ASAMP, PSAMP, AND CSAMP)

(A)	PSAMP=28; Return is not a High Income Nontaxable	08
(B)	High Income Nontaxable	28
(C)	Business High Income/loss	38
(D)	Nonbusiness Non-Farm	40-48
(E)	Nonbusiness Farm	50-58
(F)	Business	60-68
(G)	Forms 2555	80-84
(H)	Forms 1116	90-94
(I)	Forms 1040EZ	86-87
(J)	Forms 1040A	96-97

The ending digit of each sample code 40 to 97 is based on the computed primary stratifying variable (CPSV).

Ending digit for sample codes 40 through 68

If CPSV equals 1 or 2		If CPSV equals 3	
PAT.* or NAT.*	Code	Total Receipts	Code
under $30,000	0	under $200,000	0
$ 30,000 - $ 60,000	1	$ 200,000 - $ 500,000	1
60,000 - 125,000	2	500,000 - 1,000,000	2
125,000 - 250,000	3	1,000,000 - 5,000,000	3
250,000 - 600,000	4	5,000,000 - 10,000,000	4
600,000 - 1,200,000	5	10,000,000 - 20,000,000	5
1,200,000 - 2,500,000	6	20,000,000 - 30,000,000	6
2,500,000 - 6,000,000	7	30,000,000 - 50,000,000	7
6,000,000 or more	8	50,000,000 or more	8

Ending digit for sample codes 80-84 and 90-94

under $60,000	0	under $500,000	0
$ 60,000 - $ 125,000	1	$ 500,000 - $ 1,000,000	1
125,000 - 600,000	2	1,000,000 - 10,000,000	2
600,000 - 2,500,000	3	10,000,000 - 30,000,000	3
2,500,000 or more	4	30,000,000 or more	4

Ending digit for sample codes 86-87 and 96-97

under $30,000	6
$30,000 or more	7

* PAT - Positive Amounts Total. The sum of all positive income values in AGI.
NAT - Negative Amounts Total. The sum of all negative income values in AGI.

TABLE 2-C.2

STATE AND DISTRICT CODES (ISTATE, PSTATE, DIST, AND DGROUP)

STATE	ISTATE/ PSTATE	DISTRICT (DIST)	DISTRICT	SAMPLING GROUP (DGROUP)
ALABAMA	01/AL	63	BIRMINGHAM	3
ALASKA	02/AK	92	ANCHORAGE	1
ARIZONA	03/AZ	86	PHOENIX	3
ARKANSAS	04/AR	71	LITTLE ROCK	3
CALIFORNIA	05/CA	33	LAGUNA NIGUE	3
		68	SACRAMENTO	3
		77	SAN JOSE	3
		94	SAN FRANCISCO	3
		95	LOS ANGELES	3
COLORADO	06/CO	84	DENVER	3
CONNECTICUT	07/CT	06	HARTFORD	3
DELAWARE	08/DE	51	WILMINGTON	1
D.C.	09/DC	53	D.C.	1
FLORIDA	10/FL	59	JACKSONVILLE	3
		65	FORT LAUDERDALE	3
GEORGIA	11/GA	58	ATLANTA	3
HAWAII	12/HI	99	HONOLULU	1
IDAHO	13/ID	82	BOISE	1
ILLINOIS	14/IL	36	CHICAGO	3
		37	SPRINGFIELD	3
INDIANA	15/IN	35	INDIANAPOLIS	3
IOWA	16/IA	42	DES MOINES	3
KANSAS	17/KS	48	WICHITA	3
KENTUCKY	18/KY	61	LOUISVILLE	3
LOUISIANA	19/LA	72	NEW ORLEANS	3
MAINE	20/ME	01	AUGUSTA	1
MARYLAND	21/MD	52	BALTIMORE	3
MASSACHUSETTS	22/MA	04	BOSTON	3
MICHIGAN	23/MI	38	DETROIT	3
MINNESOTA	24/MN	41	ST. PAUL	3
MISSISSIPPI	25/MS	64	JACKSON	3
MISSOURI	26/MO	43	ST. LOUIS	3
MONTANA	27/MT	81	HELENA	1
NEBRASKA	28/NE	47	OMAHA	3
NEVADA	29/NV	88	LAS VEGAS	1
NEW HAMPSHIRE	30/NH	02	PORTSMOUTH	1
NEW JERSEY	31/NJ	22	NEWARK	3
NEW MEXICO	32/NM	85	ALBUQUERQUE	1
NEW YORK	33/NY	11	BROOKLYN	3
		13	MANHATTAN	3
		14	ALBANY	3
		16	BUFFALO	3

TABLE 2-C.2 (Continued)

STATE AND DISTRICT CODES (ISTATE, PSTATE, DIST, AND DGROUP)

STATE	ISTATE/ PSTATE	DISTRICT (DIST)	DISTRICT	SAMPLING GROUP (DGROUP)
NORTH CAROLINA	34/NC	56	GREENSBORO	3
NORTH DAKOTA	35/ND	45	FARGO	1
OHIO	36/OH	31	CINCINNATI	3
		34	CLEVELAND	3
OKLAHOMA	37/OK	73	OKLAHOMA CITY	3
OREGON	38/OR	93	PORTLAND	3
PENNSYLVANIA	39/PA	23	PHILADELPHIA	3
		25	PITTSBURGH	3
RHODE ISLAND	40/RI	05	PROVIDENCE	1
SOUTH CAROLINA	41/SC	57	COLUMBIA	3
SOUTH DAKOTA	42/SD	46	ABERDEEN	1
TENNESSEE	43/TN	62	NASHVILLE	3
TEXAS	44/TX	74	AUSTIN	3
		75	DALLAS	3
		76	HOUSTON	3
UTAH	45/UT	87	SALT LAKE CITY	1
VERMONT	46/VT	03	BURLINGTON	1
VIRGINIA	47/VA	54	RICHMOND	3
WASHINGTON	48/WA	91	SEATTLE	3
WEST VIRGINIA	49/WV	55	PARKERSBURG	1
WISCONSIN	50/WI	39	MILWAUKEE	3
WYOMING	51/WY	83	CHEYENNE	1
APO/FPO	52/AP	98	WASHINGTON-CP:I0	3
PUERTO RICO	53/PR	66	PUERTO RICO	3
CP:IO	54/FA	98	WASHINGTON-CP:IO	3
GUAM	54/GU			
VIRGIN ISLANDS	54/VI			

APPENDIX 2-C (Continued)

CODED DATA ITEMS IN THE BASE FILE

Array Name	IRS Name	Description of Coded Item	Code
M(10)	FLGSTR	SCHEDULE R FILING STATUS (PART I BOX CHECKED)	
		(A) No Elderly credit claimed	0
		(B) Single, age 65 or over	1
		(C) Single, under 65 and disabled	2
		(D) Joint, both spouses over 65	3
		(E) Joint, both under 65, one spouse disabled	4
		(F) Joint, both under 65, both spouses disabled	5
		(G) Joint, one spouse over 65, other spouse disabled	6
		(H) Joint, one spouse over 65, no disability	7
		(I) Married Filing Separate, over 65	8
		(J) Married Filing Separate, under 65 and disabled	9
M(13)	FRNIND	FOREIGN TAX INDICATOR	
		(A) No presence of any foreign earned income	0
		(B) Form 1116 or 2555 present or PSAMP=80-84 or 90-94	1
M(14)	F2241	CHILD CARE CREDIT FORM	
		(A) No Form 2441 attached	0
		(B) Number of qualifying individuals	1-9
M(15)	F2555	FOREIGN EARNED INCOME CREDIT FORM	
		(A) No Form 2555 attached	0
		(B) Form 2555 attached	1
M(16)	F6251	ALTERNATIVE MINIMUM TAX FORM	
		(A) No Form 2441 attached	0
		(B) Form 6251 attached	1
		(C) Original value for F6251=0 yet AMT determines liability	2
M(17)	F8582	PASSIVE ACTIVITY LOSS LIMITATION FORM	
		(A) No Form 8582 attached	0
		(B) Form 8582 attached	1

APPENDIX 2-C (Continued)

CODED DATA ITEMS IN THE BASE FILE

Array Name	IRS Name	Description of Coded Item	Code
M(18)	F8615	TAX FOR CHILDREN UNDER AGE 14 FORM	
		(A) No Form 8615 attached	0
		(B) Form 8615 attached	1
M(19)	F8814A	PARENT'S ELECTIVE TAX FOR CHILDREN UNDER AGE 14	
		(A) Zero, one, two, or three Forms 8814 attached	0
		(B) Number for Forms 8814 above three attached	1-9
M(20)	HINTX	HIGH INCOME NON-TAXABLE	
		(A) Not a high income nontaxable return	0
		(B) A high income nontaxable return	1
M(21)	HNTIND	HIGH INCOME TAX INDICATOR	
		(A) PSAMP is not equal to 28	0
		(B) PSAMP is equal to 28	1
M(22)	MARS	MARITAL STATUS	
		(A) Single	1
		(B) Married Filing Joint	2
		(C) Married Filing Separately and not Claiming A Spouse Exemption	3
		(D) Unmarried Head of Household	4
		(E) Widow(er) with Dependent Child	5
		(F) Married Filing Separately and Claiming a Spouse Exemption	6
M(23)	PASLOA	PASSIVE LOSS CODE, SCHEDULE A	
		(A) "Form 8582" is not written in margin of Schedule A's line 11	0
		(B) "Form 8582" is written in margin of Schedule A's line 11	1
M(24)	PASLOE	PASSIVE LOSS CODE, SCHEDULE E	
		(A) No indication of passive losses	0
		(B) Indication of passive losses	1
M(25)	PASLOL	PASSIVE LOSS CODE, SCHEDULE D LONG-TERM	
		(A) No indication of passive long-term loss	0
		(B) Indication of passive long-term loss	1

APPENDIX 2-C (Continued)

CODED DATA ITEMS IN THE BASE FILE

Array Name	IRS Name	Description of Coded Item	Code
M(26)	PASLOS	PASSIVE LOSS CODE, SCHEDULE D SHORT-TERM	
		(A) No indication of passive short-term loss	0
		(B) Indication of passive short-term loss	1
M(27)	PBI	PRIMARY BLIND INDICATOR	
		(A) Primary taxpayer is not blind	0
		(B) Primary taxpayer is blind	1
M(28)	PMARS	PARENTS MARITAL STATUS	
		(See MARS (M(22))	
M(29)	PREP	PUNCHED TAX PREPARER CODE	
		(A) No Preparer Other Than Taxpayer Indicated on Form	0
		(B) Paid Preparer	1
		(C) IRS Prepared Return	2
		(D) IRS Reviewed Return	3
		(E) VITA Prepared Return	4
		(F) Self Help	5
		(G) Tax Counseling for the Elderly	6
		(H) Outreach Program	7
M(30)	PURP	PERSONAL USE OF RENTAL PROPERTY	
		(A) Box on Schedule E not checked	0
		(B) "Yes" box on Schedule E checked	1
		(C) "No" box on Schedule E checked	2
		(D) "Yes" and "No" box checked	3
M(31)	RIDI	MFS ITEMIZED DEDUCTION REQUIREMENT INDICATOR	
		(A) Not necessary to itemize because of filing status	0
		(B) Necessary to itemize when filing separately	1
M(32)	SAGE	SECONDARY AGE OVER 65 INDICATOR	
		(A) Secondary taxpayer is not aged 65 or older	0
		(B) Secondary taxpayer is aged 65 or older	1
M(33)	SBI	SECONDARY BLIND INDICATOR	
		(A) Secondary taxpayer not blind	0
		(B) Secondary taxpayer blind	1

APPENDIX 2-C (Continued)

CODED DATA ITEMS IN THE BASE FILE

Array Name	IRS Name	Description of Coded Item	Code
M(34)	SFCPRI	SCHEDULE SE FARM CODE, PRIMARY	
		(A) The primary taxpayer does not use either of the optional methods for computing self-employment income on Schedule SE	0
		(B) The primary taxpayer utilizes the nonfarm Optional Method for computing self-employment income. However, the taxpayer does not use the Farm Optional Method for computing farm self-employment and farm self-employment is greater than nonfarm self employment income	1
		(C) Code 1 has not been assigned to the primary taxpayer's Schedule SE and the taxpayer shows evidence of utilizing one or both optional methods for computing self-employment income	2
M(35)	SFCSEC	SCHEDULE SE FARM CODE, SECONDARY (See SFCPRI (M(34))	
M(36)	SPECTX	SPECIAL TAX COMPUTATION	
		(A) No Entry	0
		(B) Form 4970 Tax Used	1
		(C) Form 4972 Tax Used	2
		(E) Any Combination of Form 4972 and Other Taxes	3
		(F) Any Combination of the Above Taxes or Type not determinable	4
M(37)	ISTATE	STATE CODE (See Table 2-C.2 for values)	
M(38)	SVCCTR	SERVICE CENTER CODE	
		(A) Andover	08
		(B) Atlanta	07
		(C) Austin	18
		(D) Brookhaven	19
		(E) Cincinnati	17
		(F) Fresno	89
		(G) Kansas City	09
		(H) Memphis	49
		(I) Ogden	29
		(J) Philadelphia	28

APPENDIX 2-C (Continued)

CODED DATA ITEMS IN THE BASE FILE

Array Name	IRS Name	Description of Coded Item	Code
M(39)	XTOTP	EXEMPTIONS ON PARENTS RETURN (8615 Filers)	
		(A) Number of exemptions claimed on the taxpayer's parent(s) return	0-99
M(40)	JS	TAX MODEL FILING STATUS	
		(A) Single	1
		(B) Joint	2
		(C) Head of Household	3
M(41)	MFSEXM	SPOUSE EXEMPTION FLAG FOR MFS RETURNS	
		(A) Not a MFS return or MFS return with two exemptions for taxpayer claimed	0
		(B) MFS return with one exemption for taxpayer	1
M(42)	IFDEPT	DEPENDENT TAXPAYER INDICATOR	
		(A) Taxpayer is not a dependent of another taxpayer	0
		(B) Taxpayer is a dependent of another taxpayer	1
M(43)	IDEDX	CALCULATED ITEMIZER/NON-ITEMIZER STATUS	
		(A) Taxpayer itemizes for some non-apparent reason	-1
		(B) Itemizer	1
		(C) Non-Itemizer	2
M(44)	IDEDO	ORIGINAL ITEMIZER/NON-ITEMIZER STATUS	
		(A) Taxpayer itemizes with deductions less than the standard deduction	-1
		(B) Itemizer	1
		(C) Non-Itemizer	2
		(D) Taxpayer with negative AGI and Itemized deductions	3
M(45)	I8814	PARENT'S ELECTIVE KIDDY TAX	
		(A) Effective number of Forms 8814 attached	0-4
M(46)	I8615	KIDDY TAX	
		(A) Taxpayer is not a child under age 14 with unearned income	0
		(B) Taxpayer is a child under age 14 with unearned income	1

APPENDIX 2-C (Continued)

CODED DATA ITEMS IN THE BASE FILE

Array Name	IRS Name	Description of Coded Item	Code
M(47)	JSH	FILING STATUS OF PARENT (FORM 8615 FILERS) (See JS (M(40))	
M(48)	MFSEXMH	MFS SPOUSE EXEMPTION FLAG OF PARENT (I8615 FILERS) (See MFSEXM (M(41))	
M(49)	NOEITC	NO EARNED INCOME TAX CREDIT CLAIMED INDICATOR	
		(A) Not applicable	0
		(B) Return apparently eligible but did not claim an earned income tax credit (EITC)	1
M(52)	IAGEFG	AGE IMPUTATIONS FLAG	
		(A) No imputation necessary	0
		(B) Age Imputed to Missing Age Field, Primary only	1
		(C) Age Imputed to Missing Age Field, Secondary only	2
		(D) Age Imputed to Missing Age Fields, Primary and Secondary	3
		(E) Age Imputed to Erroneous Age Field, Primary only	4
		(F) Age Imputed to Erroneous Age Field Secondary only	5
		(G) Age Imputed to Erroneous Age Fields, Primary and Secondary	6
M(53)	J2ERNFG	TWO EARNER IMPUTATION FLAG	
		(A) Not a joint return or joint return with a spouse without earnings	0
		(B) Joint return with a spouse with earnings	1
		(C) Joint return, both spouses with earnings	2
M(54)	INFANT	INFANT UNDER THE AGE OF 1 YEAR IMPUTATION FLAG	
		(A) Return does not have a child dependent under the age of one year	0
		(B) Return has a child dependent under the age of one year	1

APPENDIX 2-C (Continued)

CODED DATA ITEMS IN THE BASE FILE

Array Name	IRS Name	Description of Coded Item	Code
M(55)	IHEALTH	HEALTH INSURANCE EXPENSES FOR DEPENDENTS	
		(A) Return does not have health insurance expenses for dependent children	0
		(B) Return has health insurance expenses for dependent children	1
M(56)	IECPEN	EMPLOYER PENSION PLAN INDICATOR (Only Filers with IRA deduction limited by income)	
		(A) Not applicable	0
		(B) Return has pension plan, IRA limit=$2000	1
		(C) Return has pension plan, IRA limit=$2250	2
		(D) Return has pension plan, IRA limit=$4000	3
IDENT(5), IDENT(6)	DLN	DOCUMENT LOCATOR NUMBER	
		Digits 1 & 2 (DLNOD) — Dist or SVCCTR Code	
		Digits 3 — Tax Class Code	
		Digits 4 & 5 (DOC) — Document Code	
		Digits 6 - 8 — Control (Julian) Date	
		Digits 9 - 11 — Block Sequence	
		Digits 12 - 13 — Document Sequence (serial number)	
		Digits 14 — Year of Processing	

APPENDIX 2-D

CODED DATA ITEMS IN THE SUPPLEMENTAL FILE

Model Name	IRS Name	Description of Coded Item	Code
MS(1)	BUSIND	BUSINESS INDICATOR	
		(A) No business Related data	0
		(B) No general business credit data and:	
		Schedule C data	1
		Schedule F data	2
		Schedule C and F data	3
		(C) With general business credit data and:	
		No Schedule C or F data	4
		Schedule C data	5
		Schedule F data	6
		Schedule C and F data	7
MS(2)	CGIND	CAPITAL GAIN INDICATOR	
		(A) No capital gain or loss transaction	0
		(B) Capital gain transaction present	1
		(C) Capital loss transaction present	2
MS(3)	CLASCD	CLASS OF TAXPAYER CODE	
		(A) This value cannot logically occur	0
		(B) Taxpayer is not a dependent, does not file Form 8615, and does not file a joint return.	1
		(C) Taxpayer is not a dependent, does not file Form 8615, and is married filing jointly.	2
		(D) Taxpayer is not a dependent, does not file Form 8615, and is married filing separately.	3
		(E) Taxpayer is a dependent or files Form 8615	4
MS(5)	CPSV	COMPUTED PRIMARY STRATIFYING VARIABLE	
		(A) Sample Code 28 (HINT) or 38 (High Schedule C Net (Income/Loss)	0
		(B) Positive Amounts Total. (PAT)	1
		(C) Negative Amounts Total. (NAT)	2
		(D) Total Receipts. (TR)	3
MS(6)	CSAMP	COMPUTED SAMPLE CODE	
		(See ASAMP (M(3)) for values)	

APPENDIX 2-D (Continued)

CODED DATA ITEMS IN THE SUPPLEMENTAL FILE

Model Name	IRS Name	Description of Coded Item	Code
MS(7)	CYCLE	CYCLE CODE	
		(A) IMF Posting cycle for regular 1040 processing. (week number)	0-52
MS(8)	DEPEXP	DEPRECIATION EXPENSE SOURCE INDICATOR	
		(A) No depreciation expenses or only pertain to Schedules E or F	0
		(B) Depreciation only claimed on Schedule C	1
MS(9)	DISABL	DISABILITY INDICATOR (SCHEDULE R)	
		(A) No disability claimed	0
		(B) Taxpayer previously filed a Disability Statement	1
		(C) Filing Disability Statement, Permanently and Totally Disabled (Box A)	2
		(D) Filing Disability Statement, Non-permanently disabled (Box B or both Boxes A and B)	3
MS(10)	DIST	DISTRICT	
		(See STATE (M(37)) for values)	
MS(11)	DLNOD	FIRST AND SECOND DIGITS OF DLN	
		(See DLN, (IDENT(5)) and SVCCTR (M(38))	
MS(12)	DOC	FOURTH AND FIFTH DIGITS OF DLN	
		(A) Form 1040EZ:	
		a) Other than full paid	07
		b) full paid	08
		(B) Form 1040A:	
		a) Other than full paid	09
		b) full paid	10
		(C) Form 1040:	
		a) Non-business, other than full paid	11
		b) Non-business, full paid	12
		c) Business, other than full paid	21
		d) Business, full paid	22

APPENDIX 2-D (Continued)

CODED DATA ITEMS IN THE SUPPLEMENTAL FILE

Model Name	IRS Name	Description of Coded Item	Code
MS(13)	DRC	DEPENDENT REDESIGN CODE	
		(A) The secondary SSN matches the secondary SSN on the Returns Transaction File (RTF)	0
		(B) The secondary SSN does not match the secondary SSN on the RTF	1
		(C) No secondary SSN was reported. There is a secondary SSN on the RTF	2
		(D) A secondary SSN is present. No secondary SSN is on the RTF	3
MS(14)	DSTATE	STATES WITH MORE THAN ONE DISTRICT	
		(A) In state with only one district	0
		(B) New York	1
		(C) Texas	2
		(E) Illinois	3
		(E) Ohio	4
		(F) California	5
		(G) Pennsylvania	6
		(H) Flordia	7
MS(15)	EIC	EARNED INCOME CREDIT CODE	
		(A) No Earned Income Credit Received	0
		(B) Earned Income Credit Received	1
MS(16)	EFC	ELECTRONIC FILING CODE	
		(A) Return not electronically filed	0
		(B) Electronically filed 1040A return	1
		(C) Electronically filed 1040EZ return	2
MS(17)	EFI	ELECTRONIC FILING INDICATOR	
		(A) Return not electronically filed	0
		(B) The District Office Code is either 55 or 93 and the Block number in the DLN is 0-200.	1
MS(18)	ELECT	PRESIDENTIAL ELECTION CAMPAIGN FUND	
		(A) Number of "Yes" boxes checked	0-2
MS(19)	ER	EXCLUSION RATIO	
		(A) Percentage of pensions not included in AGI	0-100

APPENDIX 2-D (Continued)

CODED DATA ITEMS IN THE SUPPLEMENTAL FILE

Model Name	IRS Name	Description of Coded Item	Code
MS(20)	EXAM	EXAM INDICATOR	
		(A) The LEVEL code does not equal 1 or 2	0
		(B) The LEVEL code equals 1 or 2, return is in the regular SOI sample	1
MS(21)	FILECD	FILE CODE	
		(A) The LEVEL and RPI codes are equal to zero	0
		(B) The LEVEL code equals 1 or 2 or the RPI code is positive	1
		(C) the LEVEL code equals 3	2
MS(22)	F3468	FORM 3468, INVESTMENT CREDIT	
		(A) No Form 3468 attached to the return	0
		(B) Form 3468 attached to the return	1
MS(23)	F3468B	FORM 3468-B, BUSINES INVESTMENT ENERGY CREDIT	
		(A) No Form 3468-B attached to the return	0
		(B) Form 3468-B attached to the return	1
MS(24)	F3800	FORM 3800, GENERAL BUSINESS CREDIT	
		(A) No Form 3800 attached to the return	0
		(B) Form 3800 attached to the return	1
MS(25)	F4136	FORM 4136, GASOLINE AND SPECIAL FUELS CREDIT	
		(A) No Form 4136 attached to the return	0
		(B) Form 4136 attached to the return	1
MS(26)	F4562	FORM 4562, DEPRECIATION	
		(A) No Form 4562 attached to the return	0
		(B) Form 4562 attached to the return	1
MS(27)	F4952	FORM 4952, INVESTMENT INTEREST EXPENSE	
		(A) No Form 4952 attached to the return	0
		(B) Form 4952 attached to the return	1
MS(28)	F6198	FORM 6198, LOSS FROM SEC. 465 ACTIVITY	
		(A) No Form 6198 attached to the return	0
		(B) Form 6198 attached to the return	1
MS(29)	F8396	FORM 8396, MORTGAGE INTEREST CREDIT FORM	
		(A) No Form 8396 attached to the return	0
		(B) Form 8396 attached to the return	1

APPENDIX 2-D (Continued)

CODED DATA ITEMS IN THE SUPPLEMENTAL FILE

Model Name	IRS Name	Description of Coded Item	Code
MS(30)	F8586	FORM 8586, LOW INCOME HOUSING CREDIT	
		(A) No Form 8586 attached to the return	0
		(B) Form 8586 attached to the return	1
MS(31)	F8606	FORM 8686, NONDEDUCTIBLE IRA CONTRIBUTIONS	
		(A) No Form 8606 attached to the return	0
		(B) Number of Forms 8606 attached	1-2
MS(32)	F8303	FORM 8303, LIMIT ON AMT FOR CHILDREN	
		(A) No Form 8303 attached to the return	0
		(B) Form 8303 attached to the return	1
MS(33)	IE	ITEMIZED DEDUCTION ELECTION INDICATOR	
		(A) Taxpayer does not use itemized deduction election option	0
		(B) Taxpayer uses itemized election option	1
MS(34)	IMC	INSTALLMENT METHOD CODE	
		(A) Installment Method option (on Schedule D) not checked	0
		(B) Installment Method option (on Schedule D) checked	1
MS(35)	LEVSEC	SECONDARY LEVEL CODE (TYPE OF SAMPLE)	
		(A) Record not selected or incorrectly selected for sample	0
		(B) Even numbered tax year	1
		(C) Odd numbered tax year	2
		(D) Large unedited sample	3
MS(36)	MATH	MATH STATUS CODE	
		(A) No math error discovered during GMF processing	0
		(B) Math error discovered during GMF processing	1
MS(37)	NIL	NET INCOME LIMITATION CODE	
		(A) No net income limitation	0
		(B) Net income limitation $1000 or less	1
		(C) Net income limitation greater than $1000	2

APPENDIX 2-D (Continued)

CODED DATA ITEMS IN THE SUPPLEMENTAL FILE

Model Name	IRS Name	Description of Coded Item	Code
MS(38)	NOCASH	NON-CASH CONTRIBUTIONS INDICATOR	
		(A) Non-cash contributions are less than $501	0
		(B) Form 8283 present, non-art contributions of more than $500	1
		(C) Form 8283 not present, non-art contributions of more than $500	2
		(D) Form 8283 present, art contributions between $500 and $20,000	3
		(E) Form 8283 present, art contributions of more than $20,000	4
		(F) Form 8283 not present, art contributions of more than $500	5
MS(39)	NONCOM	NONCOMPUTE CODE	
		(A) Tax computed by taxpayer	0
		(B) Tax computed by IRS	2
MS(40)	PHOTO	PHOTOCOPY INDICATOR (See Appendix G in 1989 SOI File Documentation)	
MS(41)	PPI	PRIMARY PANEL INDICATOR	
		(A) The return record is not on either the SOCA or Individual Tickler files	0
		(B) The return record is only present on the Individual Tickler file	1
		(C) The return record is only present on the SOCA Tickler file	3
		(D) The return record is present on both the SOCA and Individual Tickler files	4
MS(42)	PODP	POST OF DUTY CODE - PRIMARY (See Appendix D in 1989 SOI File Documentation)	
MS(43)	PODS	POST OF DUTY CODE - SECONDARY (See Appendix D in 1989 SOI File Documentation)	
MS(44)	PSAMP	PUNCHED SAMPLE CODE (See ASAMP (M(3)) for values)	
MS(45)	PSV	PRIMARY STRATIFYING VARIABLE (See CPSV (MS(5) For values)	

APPENDIX 2-D (Continued)

CODED DATA ITEMS IN THE SUPPLEMENTAL FILE

Model Name	IRS Name	Description of Coded Item	Code
MS(46)	PVN	PERCENTAGE VALUE OF NOTE (See Appendix G in 1989 SOI File Documentation)	
MS(47)	PTC	PRIMARY TRACKING CODE	
		(A) The return record is not on the 1989 Individual panel database	0
		(B) The return record is in the panel database and the TRI code has a value of 0 and the MARS code equals 1,4, or 5	10
		(C) The return record is in the panel database and the TRI code has a value of 0 and the MARS code equals 2	20
		(D) The return record is in the panel database and the TRI code has a value of 1 and the MARS code equals 2	30
		(E) The return record is in the panel database and the TRI code has a value of 0 and the MARS code equals 3 or 6	40
		(F) The return record is in the panel database and the TRI code has a value of 1 and the MARS code equals 3 or 6	50
		(G) The return record is in the panel database and the TRI code has a value of 2	60
MS(48)	QA	QUALITY ASSURANCE SUBSAMPLE INDICATOR	
		(A) Not a QA return	0
		(B) QA return	1
MS(49)	REGION	IRS REGIONS	
		(A) Central	1
		(B) Mid-Atlantic	2
		(C) Midwest	3
		(D) North Atlantic	4
		(E) Southeast	5
		(F) Southwest	6
		(G) Western	7
		(H) Other areas	8

APPENDIX 2-D (Continued)

CODED DATA ITEMS IN THE SUPPLEMENTAL FILE

Model Name	IRS Name	Description of Coded Item	Code
MS(50)	REJ-IN	INITIAL REJECT RETURN CODE	
		(A) Accepted return	0
		(B) No reason for filing	1
		(C) Amended return	2
		(D) All other returns	3
MS(51)	RPI	RETURN PANEL INDICATOR	
		(See Appendix G in 1989 SOI File Documentation)	
MS(52)	SCHA	SCHEDULE A INDICATOR CODE	
		(A) No Schedule A attached to the return	0
		(B) Schedule A attached to the return	1
MS(53)	SCHC	SCHEDULE C INDICATOR CODE	
		(A) No Schedule C attached to the return	0
		(B) Number of Schedule C Forms present	1-3
MS(54)	SCHCF	SCHEDULE C OR F INDICATOR	
		(A) Neither Schedule C or F present	0
		(B) Schedule C present only	1
		(C) Schedule F present only	2
		(D) Schedule C and F present; Schedule C receipts larger	3
		(E) Schedule C and F present; Schedule F receipts larger	4
MS(55)	SCHD	SCHEDULE D CODE	
		(A) No Schedule D filed with return	0
		size of Schedule D net income:	
		(B) Over -$50,000 and under $50,000	1
		(C) $50,000 or more or -$50,000 or less	2
MS(56)	SCHE	SCHEDULE E INDICATOR CODE	
		(A) No Schedule E attached to the return	0
		(B) Schedule E attached to the return	1
MS(57)	SCHF	SCHEDULE F INDICATOR CODE	
		(A) No Schedule F attached to the return	0
		(B) Number of Schedule F Forms present	1-2
MS(58)	SCHSE	SCHEDULE SE INDICATOR CODE	
		(A) No Schedule SE attached to the return	0
		(B) Schedule SE attached to the return	1

APPENDIX 2-D (Continued)

CODED DATA ITEMS IN THE SUPPLEMENTAL FILE

Model Name	IRS Name	Description of Coded Item	Code
MS(59)	SOCA	SALES OF CAPITAL ASSETS (SOCA) TRACKING CODE	
		(A) No taxpayers deceased	0
		(B) Both taxpayers deceased	1
		(C) Secondary taxpayer deceased	2
		(D) Primary taxpayer deceased	3
MS(60)	SPI	SECONDARY PANEL INDICATOR	
		(See PPI (MS(41) for values)	
MS(61)	STC	SECONDARY TRACKING CODE	
		(See PTC (MS(47) for values)	
MS(62)	TFORM	CORRECTED FORM OF RETURN	
		(A) Form 1040 return	0
		(B) Form 1040A return	1
		(C) Form 1040EZ return	2
MS(63)	TXNT	TAXABLE OR NONTAXABLE RETURN	
		(A) Non-taxable return	0
		(B) Taxable return	1
MS(64)	TXRT	MARGINAL TAX RATE	
		(A) 15% Marginal tax rate	15
		(B) 28% Marginal tax rate	28
		(C) 33% Marginal tax rate	33
		(D) 28% Marginal tax rate - post phase-outs	35
MS(65)	TXST	TAX STATUS	
		(A) No taxes owed and IRS did not compute tax	0
		(B) All other returns	1
		(C) Taxes are owed and IRS computed tax	2
		(D) No taxes due and completed by IRS	3
		(E) Schedule D tax has entry, Form 8615 does not	4
		(F) Form 8615 has an entry and Schedule D does not	5
		(G) Both Form 8615 and Schedule D have entries	6
		(H) Form 8814 has tax at children's 15% rate	7

APPENDIX 2-D (Continued)

CODED DATA ITEMS IN THE SUPPLEMENTAL FILE

Model Name	IRS Name	Description of Coded Item	Code
MS(66)	XFPT	PRIMARY TAXPAYER EXEMPTION	
		(A) Dependent of another taxpayer	0
		(B) Regular	1
		(C) Regular and age	2
		(D) Regular, age and blindness	3
		(E) Regular and blindness	4
MS(67)	XFST	SECONDARY TAXPAYER EXEMPTION	
		(A) Dependent of another taxpayer	0
		(B) Regular	1
		(C) Regular and age	2
		(D) Regular, age and blindness	3
		(E) Regular and blindness	4
MS(68)	XOCAH	EXEMPTIONS FOR CHILDREN LIVING AT HOME	
		(A) Number of exemptions	1-99
MS(69)	XOCAWH	EXEMPTIONS FOR CHILDREN LIVING AWAY FROM HOME	
		(A) Number of exemptions	1-99
MS(70)	XOODEP	EXEMPTIONS FOR OTHER DEPENDENTS	
		(A) Number of exemptions	1-99
MS(71)	XOPAR	EXEMPTIONS FOR PARENTS	
		(A) Number of exemptions	1-99
MS(72)	XTOT	TOTAL EXEMPTIONS	
		(A) Number of exemptions	1-99
MS(73)	YCODE		
MS(74)	MRCODE		
MS(75)	ERRCHG		
MS(76)	ERRFLG	Fields MS(73) through MS(84) are file-building	
MS(77)	IMAGE	codes created by SOI. See Appendix G in the	
MS(78)	INFCHG	1989 SOI File Documentation.	
MS(79)	INFFLG		
MS(80)	SVCTNO		
MS(81)	TESTNO		
MS(82)	VERFLG		
MS(83)	VWKGRP		
MS(84)	WEIGHT		

APPENDIX 2-D (Continued)

CODED DATA ITEMS IN THE SUPPLEMENTAL FILE

Model Name	IRS Name	Description of Coded Item	Code
MS(85)	DOMC	DOMC: SCHEDULE C BUSINESS NUMBER	
		(A) Schedule C sequence number	1-3
MS(86)	INDYC	DOMC: INDUSTRY CODE	
		(See Appendix E in 1989 SOI File Documentation)	
MS(87)	ACCMEC	DOMC: ACCOUNTING METHOD	
		(A) Cash	1
		(B) Accrual	2
		(C) Other	3
MS(88)	SEXPRC	DOMC: SEX OF PROPRIETOR	
		(A) Male	1
		(B) Female	2
		(C) Both on joint returns or cannot be determined	3
MS(89)	ATRSKC	DOMC: AT RISK CODE	
		(A) Schedule shows a profit or no answer	0
		(B) "Yes" or "Yes and No" response	1
		(C) "No" response	2
		(D) Schedule shows a net loss and the "at risk" question is not answered	3
MS(90)	TXSHLC	DOMC: TAX SHELTER CODE	
		(A) Box on line J is not checked and Form 8271 is not attached to the return	0
		(B) Box on line J is checked or a Form 8271 pertaining to this Schedule C is attached to the return	1
MS(91)	COMSCH	DOMC: COMBINED SCHEDULE C CODE	
		(A) Not a combined schedule	0
		(B) Combined schedule	1
MS(92)	INDYCO	DOMC: SELF-CODED INDUSTRY CODE	
		(See page 2 of Schedule C for values)	

APPENDIX 2-D (Continued)

CODED DATA ITEMS IN THE SUPPLEMENTAL FILE

Model Name	IRS Name	Description of Coded Item	Code
MS(93)	INVALC	DOMC: INVENTORY VALUATION CODE	
		(A) Not a business return	0
		(B) Cost method of valuing inventory and:	
		Question G on Schedule C is not answered	1
		Question G on Schedule C is "yes"	4
		Question G on Schedule C is "no"	7
		(C) Lower of Cost or Market method used and:	
		Question G on Schedule C is not answered	2
		Question G on Schedule C is "yes"	5
		Question G on Schedule C is "no"	8
		(D) "Other" method used and:	
		Question G on Schedule C is not answered	3
		Question G on Schedule C is "yes"	6
		Question G on Schedule C is "no"	9
		(E) No method indicated or determinable and:	
		Question G on Schedule C is not answered	10
		Question G on Schedule C is "yes"	11
		Question G on Schedule C is "no"	12
MS(94)	HOMEXC	DOMC: HOME OFFICE EXPENSE CODE	
		(A) "No" boxed checked	0
		(B) "Yes" boxed checked	1
		(C) Neither boxed checked	2
MS(95)	INDCC	DOMC: INDUSTRY CODE CHANGE INDICATOR	
		(See Appendix G in 1989 SOI File Documentation)	
MS(96)	PASLOC	DOMC: PASSIVE LOSS CODE	
		(A) No indication of passive activity or line 31 is a gain	0
		(B) "Passive Activity" written in margin of line 31 and line 31 is a loss	1
MS(97)	MPARTC	DOMC: MATERIAL PARTICIPATION CODE	
		(A) "No" boxed checked	0
		(B) "Yes" boxed checked	1
		(C) Neither boxed checked	2

APPENDIX 2-D (Continued)

CODED DATA ITEMS IN THE SUPPLEMENTAL FILE

Model Name	IRS Name	Description of Coded Item	Code
MS(98)		1ST C: SCHEDULE C BUSINESS NUM	
MS(99)	INDYC	1ST C: INDUSTRY CODE	
MS(100)	ACCMEC	1ST C: ACCOUNTING METHOD	Code values for
MS(101)	SEXPRC	1ST C: SEX OF PROPRIETOR	the 1st, 2nd and
MS(102)	ATRSKC	1ST C: AT RISK CODE	3rd Schedule Cs
MS(103)	TXSHLC	1ST C: TAX SHELTER CODE	are the same as
MS(104)	COMSCH	1ST C: COMBINED SCHEDULE C CODE	those for the
MS(105)	INDYCO	1ST C: SELF-CODED INDUSTRY CODE	Dominant C. See
MS(106)	INVALC	1ST C: INVENTORY VALUATION CODE	MS(85) to MS(97)
MS(107)	HOMEXC	1ST C: HOME OFFICE EXPENSE CODE	
MS(108)	INDCC	1ST C: INDUSTRY CODE CHANGE IND.	
MS(109)	PASLOC	1ST C: PASSIVE LOSS CODE	
MS(110)	MPARTC	1ST C: MATERIAL PARTICIPATION	
MS(111)		2ND C: SCHEDULE C BUSINESS NUM	
MS(112)	INDYC	2ND C: INDUSTRY CODE	
MS(113)	ACCMEC	2ND C: ACCOUNTING METHOD	Code values for
MS(114)	SEXPRC	2ND C: SEX OF PROPRIETOR	the 1st, 2nd and
MS(115)	ATRSKC	2ND C: AT RISK CODE	3rd Schedule Cs
MS(116)	TXSHLC	2ND C: TAX SHELTER CODE	are the same as
MS(117)	COMSCH	2ND C: COMBINED SCHEDULE C CODE	those for the
MS(118)	INDYCO	2ND C: SELF-CODED INDUSTRY CODE	Dominant C. See
MS(119)	INVALC	2ND C: INVENTORY VALUATION CODE	MS(85) to MS(97)
MS(120)	HOMEXC	2ND C: HOME OFFICE EXPENSE CODE	
MS(121)	INDCC	2ND C: INDUSTRY CODE CHANGE IND.	
MS(122)	PASLOC	2ND C: PASSIVE LOSS CODE	
MS(123)	MPARTC	2ND C: MATERIAL PARTICIPATION	
MS(124)		3RD C: SCHEDULE C BUSINESS NUM	
MS(125)	INDYC	3RD C: INDUSTRY CODE	
MS(126)	ACCMEC	3RD C: ACCOUNTING METHOD	Code values for
MS(127)	SEXPRC	3RD C: SEX OF PROPRIETOR	the 1st, 2nd and
MS(128)	ATRSKC	3RD C: AT RISK CODE	3rd Schedule Cs
MS(129)	TXSHLC	3RD C: TAX SHELTER CODE	are the same as
MS(130)	COMSCH	3RD C: COMBINED SCHEDULE C CODE	those for the
MS(131)	INDYCO	3RD C: SELF-CODED INDUSTRY CODE	Dominant C. See
MS(132)	INVALC	3RD C: INVENTORY VALUATION CODE	MS(85) to MS(97)
MS(133)	HOMEXC	3RD C: HOME OFFICE EXPENSE CODE	
MS(134)	INDCC	3RD C: INDUSTRY CODE CHANGE IND.	
MS(135)	PASLOC	3RD C: PASSIVE LOSS CODE	
MS(136)	MPARTC	3RD C: MATERIAL PARTICIPATION	

APPENDIX 2-D (Continued)

CODED DATA ITEMS IN THE SUPPLEMENTAL FILE

Model Name	IRS Name	Description of Coded Item	Code
MS(137)	DOMF	DOMF: SCHEDULE F BUSINESS NUMBER	
		(A) Schedule F sequence number	1-2
MS(138)	INDYF	DOMF: INDUSTRY CODE	
		(See Appendix E in 1989 SOI File Documentation)	
MS(139)	ACCMEF	DOMF: ACCOUNTING METHOD	
		(A) Cash	1
		(B) Accrual	2
MS(140)	SEXPRF	DOMF: SEX OF PROPRIETOR	
		(A) Male	1
		(B) Female	2
		(C) Both on joint returns or cannot be determined	3
MS(141)	ATRSKF	DOMF: AT RISK CODE	
		(A) Schedule shows a profit or no answer	0
		(B) "Yes" or "Yes and No" response	1
		(C) "No" response	2
		(D) Schedule shows a net loss and the "at risk" question is not answered	3
MS(142)	PASLOF	DOMF: PASSIVE LOSS CODE	
		(A) Question F (material participation) checked "yes", passive loss checked "no"	0
		(B) Question F (material participation) checked "no", passive loss checked "no"	1
		(C) Question F (material participation) checked "no", passive loss checked "yes"	2
		(E) Question F not answered, passive loss checked "no"	3
		(E) Question F not answered, passive loss checked "yes"	4
		(F) Question F (material participation) checked "yes", passive loss checked "yes"	5

APPENDIX 2-D (Continued)

CODED DATA ITEMS IN THE SUPPLEMENTAL FILE

Model Name	IRS Name	Description of Coded Item	Code
MS(143)		1ST F: SCHEDULE F BUSINESS NUM	|Code values for
MS(144)	INDYF	1ST F: INDUSTRY CODE	|the 1st and 2nd
MS(145)	ACCMEF	1ST F: ACCOUNTING METHOD	|Schedule Fs are
MS(146)	SEXPRF	1ST F: SEX OF PROPRIETOR	|the same as those
MS(147)	ATRSKF	1ST F: AT RISK CODE	|for the Dominant F
MS(148)	PASLOF	1ST F: PASSIVE LOSS CODE	|See MS(137)-MS(142)
MS(149)		2ND F: SCHEDULE F BUSINESS NUM	|Code values for
MS(150)	INDYF	2ND F: INDUSTRY CODE	|the 1st and 2nd
MS(151)	ACCMEF	2ND F: ACCOUNTING METHOD	|Schedule Fs are
MS(152)	SEXPRF	2ND F: SEX OF PROPRIETOR	|the same as those
MS(153)	ATRSKF	2ND F: AT RISK CODE	|for the Dominant F
MS(154)	PASLOF	2ND F: PASSIVE LOSS CODE	|See MS(137)-MS(142)
MS(155)	F9101	DELETED BUSINESS OR FARM CODES	
		(A) No 9101 Industry Codes	0
		(B) Number of 9101s	1
MS(156)	INVENC	DOMINANT BUSINESS INVENTORY CODE	
		(A) No inventory	0
		(B) Beginning inventory only	1
		(C) Ending inventory only	2
		(D) Both beginning and ending inventory	3
MS(157)	NICDE	BUSINESS NET INCOME CODE	
		(A) No Schedule C's attached to return	00
		(B) Size of net income	
		$ 1 under $ 2,000	01
		2,000 under 5,000	02
		5,000 under 10,000	03
		10,000 under 25,000	04
		25,000 under 50,000	05
		50,000 under 100,000	06
		100,000 under 200,000	07
		200,000 or more	08
		(C) Breakevens	09

APPENDIX 2-D (Continued)

CODED DATA ITEMS IN THE SUPPLEMENTAL FILE

Model Name	IRS Name	Description of Coded Item	Code
		(D) Size of net deficit	
		$ 1 under $ 2,000	10
		2,000 under 5,000	11
		5,000 under 10,000	12
		10,000 under 25,000	13
		25,000 under 50,000	14
		50,000 under 100,000	15
		100,000 under 200,000	16
		200,000 or more	17
MS(158)	SZBRE	SIZE OF BUSINESS RECEIPTS	
		(A) No business receipts reported	00
		(B) Size of business receipts	
		$ 1 under $ 2,500	01
		2,500 under 5,000	02
		5,000 under 10,000	03
		10,000 under 25,000	04
		25,000 under 50,000	05
		50,000 under 100,000	06
		100,000 under 200,000	07
		200,000 under 500,000	08
		500,000 under 1,000,000	09
		1,000,000 under 2,500,000	10
		2,500,000 under 5,000,000	11
		5,000,000 under 10,000,000	12
		10,000,000 or more	13
	APXAA	NON-FARM BUSINESS INDUSTRY CODES (SOI's Appendix AA):	
MS(159)		Division Line number	
MS(160)		Subdivision line numbers	
MS(161)		Major group line numbers	
MS(162)		Minor group line numbers	
	APXBEA	SELECTED NON-FARM BUSINESS INDUSTRY CODES (SOI's Appendix BEA-AA):	
MS(163)		Division Line number	
MS(164)		Subdivision line numbers	
MS(165)		Major group line numbers	
MS(166)		Minor group line numbers	

APPENDIX 2-D (Continued)

CODED DATA ITEMS IN THE SUPPLEMENTAL FILE

Model Name	IRS Name	Description of Coded Item	Code
	APXWW	SELECTED NON-FARM BUSINESS INDUSTRY CODES (SOI's Appendix WW):	
MS(168)		Division Line number	
MS(169)		Subdivision line numbers	
MS(170)		Major group line numbers	
MS(171)		Minor group line numbers	
	APX	COMBINED SELECTED NON-FARM BUSINESS INDUSTRY CODES (SOI's Appendicies):	
MS(172)		Division Line number	
MS(173)		Major group line numbers	
MS(174)	SAMPC	SOCA POST-STRATIFICATION SAMPLE CODES: SCHEDULE C (The first and second digits are CSAMP and the third and fourth based on derived from combined Schedule C net income/loss classes.	
		(A) Combine net income class	
		$ 1 to $ 50,000	20
		50,000 to 100,000	21
		100,000 to 200,000	22
		200,000 or more	23
		(B) Combine net loss class	
		$ 1 to $ 50,000	24
		50,000 to 100,000	25
		100,000 to 200,000	26
		200,000 or more	27
		(C) No Schedule C attached	30
MS(175)	SAMPD	SOCA POST-STRATIFICATION SAMPLE CODES: SCHEDULE D (The first and second digits are CSAMP and the third and fourth based on derived from Schedule D net income/loss classes.	
		(A) Combined net income/loss class:	
		$ 1 to $ 50,000	10
		50,000 or more	11
		(B) No Schedule D attached	30

APPENDIX 2-D (Continued)

CODED DATA ITEMS IN THE SUPPLEMENTAL FILE

Model Name	IRS Name	Description of Coded Item	Code
MS(176)	SAMPP	SOCA POST-STRATIFICATION SAMPLE CODES: PIA CODES (The first and second digits are CSAMP and the third and fourth based on derived from the Schedule C industry code (INDYC).	
		(A) INDYC range is 0120 - 0970	00
		(B) INDYC range is 1000 - 1400	01
		(C) INDYC range is 1510 - 1790	02
		(D) INDYC range is 2000 - 3970	03
		(E) INDYC range is 4121 - 4950	04
		(F) INDYC range is 5010 - 5195	05
		(G) INDYC range is 5211 - 5999	06
		(H) INDYC range is 6000 - 6611	07
		(I) INDYC range is 7012 - 8999	08
		(J) INDYC is 0	30
		(K) All other INDYC codes	09
MS(177)	PBPIRA	PERCENTAGE BASIS OF IRA, PRIMARY	
		(A) Ratio of nontaxable IRA contributions to the total value of IRAs	0-99
MS(178)	PBSIRA	PERCENTAGE BASIS OF IRA, SPOUSE	
		(A) Ratio of nontaxable IRA contributions to the total value of IRAs	0-99
MS(179)	CBATCH	CONSISTENCY TEST BATCH NUMBER	
		(A) A four digit code indicating the batch of returns a particular return was processed with.	
MS(180)	MATCH	MATCH CODE	
		(A) 4-7 digits of the Primary SSN	

APPENDIX 2-E

CODED DATA ITEMS IN THE CPS COMPANION FILE

Model Name	CPS Name	Description of Coded Item	Code
ICPS(002)	H-SEQ	HOUSEHOLD SEQUENCE NUMBER	
ICPS(003)	H-NUMPER	NUMBER OF PERSONS IN HOUSEHOLD	
		(A) Noninterview household	0
		(B) Number of persons in HHLD	1-39
ICPS(004)	H-TYPE	HOUSEHOLD TYPE	
		(A) Not in universe	0
		(B) Husband/wife primary family (neither husband or wife in armed forces)	1
		(C) Husband/wife primary family (husband or wife in armed forces)	2
		(D) Unmarried civilian male primary family householder	3
		(E) Unmarried civilian female primary family householder	4
		(F) Primary family household - reference person in armed forces and unmarried	5
		(G) Civilian male nonfamily householder	6
		(H) Civilian female nonfamily householder	7
		(I) Nonfamily householder household reference person in armed forces	8
		(J) Group Quarters	9
ICPS(005)	H-LIVQRT	TYPE OF LIVING QUARTERS	
		(A) House, Apt., flat	1
		(B) HU in nontransient hotel, etc.	2
		(C) HU, perm, in trans. hotel, motel etc.	3
		(D) HU in rooming house	4
		(E) Mobile Home or trailer with no permanent room added	5
		(F) Mobile home or trailer with 1 or more permanent rooms added	6
		(G) HU not specified above	7
ICPS(006)	H-TENURE	TENURE	
		(A) Not in universe	0
		(B) Owned or being bought	1
		(C) Rent	2
		(D) No cash rent	3

APPENDIX 2-E (Continued)

CODED DATA ITEMS IN THE CPS COMPANION FILE

Model Name	CPS Name	Description of Coded Item	Code
ICPS(007)	HG-ST60	1960 CENSUS STATE CODE	
		New England Region	
		(A) Maine	11
		(B) New Hampshire	12
		(C) Vermont	13
		(D) Massachusetts	14
		(E) Rhode Island	15
		(F) Connecticut	16
		Middle Atlantic Division	
		(G) New York	21
		(H) New Jersey	22
		(I) Pennsylvania	23
		Midwest Region	
		(J) Ohio	31
		(K) Indiana	32
		(L) Illinois	33
		(M) Michigan	34
		(N) Wisconsin	35
		West North Central Division	
		(O) Minnesota	41
		(P) Iowa	42
		(Q) Missouri	43
		(R) North Dakota	44
		(S) South Dakota	45
		(T) Nebraska	46
		(U) Kansas	47
		South Region	
		(V) Delaware	51
		(W) Maryland	52
		(X) District of Columbia	53
		(Y) Virginia	54
		(Z) West Virginia	55
		(AA) North Carolina	56
		(BB) South Carolina	57
		(CC) Georgia	58
		(DD) Florida	59
		East South Central Division	
		(EE) Kentucky	61
		(FF) Tennessee	62
		(GG) Alabama	63
		(HH) Mississippi	64

APPENDIX 2-E (Continued)

CODED DATA ITEMS IN THE CPS COMPANION FILE

Model Name	CPS Name	Description of Coded Item	Code
		West South Central Division	
		(II) Arkansas	71
		(JJ) Louisiana	72
		(KK) Oklahoma	73
		(LL) Texas	74
		West Region	
		(MM) Montana	81
		(NN) Idaho	82
		(OO) Wyoming	83
		(PP) Colorado	84
		(QQ) New Mexico	85
		(RR) Arizona	86
		(SS) Utah	87
		(TT) Nevada	88
		Pacific Division	
		(UU) Washington	91
		(VV) Oregon	92
		(WW) California	93
		(XX) Alaska	94
		(YY) Hawaii	95
ICPS(008)	HUNDER15	NUMBER OF PERSONS IN HOUSEHOLD UNDER AGE 15	
		(A) None	00
		(B) Number of persons under 15	01-39
ICPS(009)	HCMCARE	CHILDREN COVERED BY MEDICARE OR MEDICAID	
		(A) Not in universe	0
		(B) All or some	1
		(C) None	2
ICPS(010)	HCMCENO	NUMBER OF CHILDREN IN HOUSEHOLD COVERED BY MEDICARE OR MEDICAID	
		(A) Not in universe	0
		(B) One to nine or more children	1-9
ICPS(011)	HCHI	HOW MANY OF THE CHILDREN IN HOUSEHOLD WERE COVERED BY OTHER INSURANCE	
		(A) Not in universe	0
		(B) All or some	1
		(C) None	2

APPENDIX 2-E (Continued)

CODED DATA ITEMS IN THE CPS COMPANION FILE

Model Name	CPS Name	Description of Coded Item	Code
ICPS(012)	HCHINO	NUMBER OF CHILDREN IN HOUSEHOLD COVERED BY A HEALTH INSURANCE PLAN	
		(A) Not in universe	0
		(B) One to nine or more children	1-9
ICPS(013)	HCHIMRH	CHILDREN COVERED BY A HEALTH PLAN OF SOMEONE NOT RESIDING IN THE HOUSEHOLD INDICATOR	
		(A) Not in universe	0
		(B) All or some covered	1
		(C) None	2
ICPS(014)	HCHINNO	NUMBER OF CHILDREN COVERED BY A HEALTH PLAN OF SOMEONE NOT RESIDING IN THE HOUSEHOLD	
		(A) Not in universe	0
		(B) One to nine or more children	1-9
ICPS(015)	HH5TO18	NUMBER OF PERSONS IN HOUSEHOLD AGE 5 TO 18	
		(A) None	00
		(B) Number of persons 5 to 18	01-39
ICPS(016)	HFLUNCH	NUMBER OF CHILDREN IN THE HOUSEHOLD WHO RECEIVED FREE OR REDUCED PRICE LUNCHES	
		(A) Not in universe	0
		(B) Some or all	1
		(C) None	2
ICPS(017)	HPUBLIC	PUBLIC HOUSING PROJECT INDICATOR (House is owned by a local housing authority or other public agency)	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(018)	HLORENT	HOUSEHOLD PAYS LOWER RENT BECAUSE OF FEDERAL, STATE, OR LOCAL GOVERNMENT SUBSIDY	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(019)	HMCARE	MEDICARE INDICATOR FOR ANYONE IN HOUSEHOLD	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2

APPENDIX 2-E (Continued)

CODED DATA ITEMS IN THE CPS COMPANION FILE

Model Name	CPS Name	Description of Coded Item	Code
ICPS(020)	HMCAID	MEDICAID INDICATOR FOR ANYONE IN HOUSEHOLD	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(021)	HCHAMP	CHAMPUS, VA, OR MILITARY HEALTH CARE	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(022)	HHI-YN	HEALTH INSURANCE INDICATOR FOR ANYONE IN HOUSEHOLD	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(023)	HHSTATUS	RECODE - TYPE OF HOUSEHOLD STATUS	
		(A) Not in universe (group quarters)	0
		(B) Primary family	1
		(C) Nonfamily household living alone	2
		(D) Nonfamily householder living with nonrelatives	3
ICPS(024)	HUNDER18	RECODE - NUMBER IN HOUSEHOLD UNDER AGE 18	
		(A) None	0
		(B) Number of persons under 18	01-39
ICPS(025) ICPS(078)	A-EXPRRP	EXPANDED RELATIONSHIP CODE	
		(A) Reference person with relatives	1
		(B) Reference person without relatives	2
		(C) Husband	3
		(D) Wife	4
		(E) Natural/adopted child	5
		(F) Step child	6
		(G) Grandchild	7
		(H) Parent	8
		(I) Brother/Sister	9
		(J) Other relative	10
		(K) Foster child	11
		(L) Nonrelative with relatives	12
		(M) Partner/roomate	13
		(N) Nonrelative without relatives	14

APPENDIX 2-E (Continued)

CODED DATA ITEMS IN THE CPS COMPANION FILE

Model Name	CPS Name	Description of Coded Item	Code
ICPS(026)	A-AGE	AGE	
ICPS(079)		(A) Years of age	00-89
		(B) Age 90 or over	90
ICPS(027)	A-MARITL	MARITAL STATUS	
ICPS(080)		(A) Married-civilian spouse present	1
		(B) Married-armed forces spouse present	2
		(C) Married-Spouse absent (except separated)	3
		(D) Widowed	4
		(E) Divorced	5
		(F) Separated	6
		(G) Never Married	7
ICPS(028)	A-SEX	SEX	
ICPS(081)		(A) Male	1
		(B) Female	2
ICPS(029)	A-VET	VETERAN STATUS	
ICPS(082)		(A) Children or Armed Forces	0
		(B) Vietnam	1
		(C) Korean War	2
		(D) World War II	3
		(E) World War I	4
		(F) Other Service	5
		(G) Nonveteran	6
ICPS(030)	A-HGA	HIGHEST GRADE ATTENDED	
ICPS(083)		(A) None Kindergarten or children	0
		(B) E1	1
		(C) E2	2
		(D) E3	3
		(E) E4	4
		(F) E5	5
		(G) E6	6
		(H) E7	7
		(I) E8	8
		(J) H1	9
		(K) H2	10
		(L) H3	11
		(M) H4	12

APPENDIX 2-E (Continued)

CODED DATA ITEMS IN THE CPS COMPANION FILE

Model Name	CPS Name	Description of Coded Item	Code
		(N) C1	13
		(O) C2	14
		(P) C3	15
		(Q) C4	16
		(R) C5	17
		(S) C6+	18
ICPS(031)	A-HGC	HIGHEST GRADE COMPLETED	
ICPS(084)		(A) Children	0
		(B) Yes	1
		(C) No	2
ICPS(032)	A-RACE	RACE	
ICPS(085)		(A) White	1
		(B) Black	2
		(C) Americal Indian, Aleut Eskimo	3
		(D) Asian or Pacific Islander	4
		(E) Other	5
ICPS(033)	A-REORGN	ORIGIN	
ICPS(086)		(A) Mexican American	1
		(B) Chicano	2
		(C) Mexican (Mexicano)	3
		(D) Puerto Rican	4
		(E) Cuban	5
		(F) Central or South American	6
		(G) Other Spanish	7
		(H) All other	8
		(I) Don't Know	9
		(J) NA	10
ICPS(034)	A-HRS1	NUMBER OF HOURS WORKED LAST WEEK AT ALL JOBS	
ICPS(087)		(A) Not in universe or children or Armed Forces	0
		(B) Number of hours	01-99

APPENDIX 2-E (Continued)

CODED DATA ITEMS IN THE CPS COMPANION FILE

Model Name	CPS Name	Description of Coded Item	Code
ICPS(038)	A-LFSR	LABOR FORCE STATUS RECODE	
ICPS(091)		(A) Children or Armed Forces	0
		(B) Working	1
		(C) With job, not at work	2
		(D) Unemployed, looking for work	3
		(E) Unemployed, on layoff	4
		(F) Not in Labor Force (LILF) - working w/o pay <= 15 hours.	5
		(G) NILF - Unavailable	6
		(H) Other NILF	7
ICPS(039)	A-EXPLF	EXPERIENCED LABOR FORCE EMPLOYMENT STATUS	
ICPS(092)		(A) Not in experienced labor force	0
		(B) Employed	1
		(C) Unemployed	2
ICPS(040)	A-MJIND	MAJOR INDUSTRY CODE	
ICPS(093)		(A) Not in universe or children	0
		(B) Agriculture	1
		(C) Mining	2
		(D) Construction	3
		(E) Manufacturing-durable goods	4
		(F) Manufacturing-nondurable goods	5
		(G) Transportation	6
		(H) Communications	7
		(I) Utilities and sanitary services	8
		(J) Wholesale trade	9
		(K) Retail trade	10
		(L) Finance, insurance and real estate	11
		(M) Private household	12
		(N) Business and repair	13
		(O) Personal services, except private household	14
		(P) Entertainment	15
		(Q) Hospital	16
		(R) Medical, except hospital	17
		(S) Educational	18
		(T) Social Services	19
		(U) Other professional	20
		(V) Forestry and fisheries	21
		(W) Public administration	22
		(X) Armed forces	23

APPENDIX 2-E (Continued)

CODED DATA ITEMS IN THE CPS COMPANION FILE

Model Name	CPS Name	Description of Coded Item	Code
ICPS(041)	A-MJOCC	MAJOR OCCUPATION CODE	
ICPS(094)		(A) Not in universe or children or Armed Forces	0
		(B) Executive, Admin. and managerial	1
		(C) Professional specialty	2
		(D) Technicians and related support	3
		(E) Sales	4
		(F) Admin. support, including clerical	5
		(G) Private household	6
		(H) Protective service	7
		(I) Other service	8
		(J) Precision production, craft and repair	9
		(K) Machine operators, assemblers and inspectors	10
		(L) Transportation and material moving	11
		(M) Handlers, equip. cleaners, etc	12
		(N) Farming, forestry and fishing	13
		(O) Armed Forces	14
		(P) No previous experience - never worked	15
ICPS(042)	A-RCOW	CLASS OF WORKER RECODE	
ICPS(095)		(A) Not in universe or children or Armed Forces	0
		(B) Private	1
		(C) Federal	2
		(D) State	3
		(E) Local	4
		(F) Self-employment-unincorporated	5
		(G) Without pay	6
		(H) Never worked	7
ICPS(043)	WKSWORK	NUMBER OF WEEKS WORKED LAST YEAR	
ICPS(096)		(including paid vacation and sick leave)	
		(A) Not in universe	0
		(B) Number of weeks	1-52

APPENDIX 2-E (Continued)

CODED DATA ITEMS IN THE CPS COMPANION FILE

Model Name	CPS Name	Description of Coded Item	Code
ICPS(044) ICPS(097)	PHMEMPRS	NUMBER OF EMPLOYERS LAST YEAR (if more than one at same time, only count it as one employer)	
		(A) Not in universe	0
		(B) 1 employer	1
		(C) 2 employers	2
		(D) 3 or more	3
ICPS(045) ICPS(098)	MIGSAME	LIVING IN THIS HOUSE 1 YEAR AGO INDICATOR	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(046) ICPS(099)	NOEMP	AT CURRENT JOB, NUMBER OF PEOPLE EMPLOYED BY EMPLOYER AT THE SAME LOCATION	
		(A) Not in universe	0
		(B) Under 25	1
		(C) 25 - 99	2
		(D) 100 - 499	3
		(E) 500 - 999	4
		(F) 1000+	5
ICPS(047) ICPS(100)	SUBUC	SUPPLEMENTAL UNEMPLOYMENT BENEFITS INDICATOR	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(048) ICPS(101)	STRKUC	RECEIVED UNION UNEMPLOYMENT OR STRIKE BENEFITS	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(049) ICPS(102)	WC-TYPE	WORKER'S COMPENSATION INDICATOR	
		(A) Not in universe	0
		(B) State workers compensation	1
		(C) Employer or employers insurance	2
		(D) Own insurance	3
		(E) Other	4
ICPS(050) ICPS(103)	PAW-MON	NUMBER OF MONTHS RECEIVING PUBLIC ASSISTANCE	
		(A) Not in universe	00
		(B) Number of months	01-12

APPENDIX 2-E (Continued)

CODED DATA ITEMS IN THE CPS COMPANION FILE

Model Name	CPS Name	Description of Coded Item	Code
ICPS(051)	VET-TYP1	VETERANS PAYMENTS TYPE: DISABILITY COMPENSATION	
ICPS(104)		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(052)	VET-TYP2	VETERANS PAYMENTS TYPE: SURVIVOR BENEFITS	
ICPS(105)		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(053)	VET-TYP3	VETERANS PAYMENTS TYPE: VETERANS' PENSION	
ICPS(106)		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(054)	VET-TYP4	VETERANS PAYMENTS TYPE: EDUCATION ASSISTANCE	
ICPS(107)		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(055)	VET-TYP5	VETERANS PAYMENTS TYPE: OTHER VETERANS'	
ICPS(108)		PAYMENT	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(056)	DIS-HP	DISABILITY INDICATOR	
ICPS(109)		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(057)	OED-TYP1	SOURCE OF EDUCATIONAL ASSISTANCE:	
ICPS(110)		GOVERNMENT ASSISTANCE	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(058)	OED-TYP2	SOURCE OF EDUCATIONAL ASSISTANCE:	
ICPS(111)		SCHOLARSHIPS, GRANTS ETC. FROM THE SCHOOL	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2

APPENDIX 2-E (Continued)

CODED DATA ITEMS IN THE CPS COMPANION FILE

Model Name	CPS Name	Description of Coded Item	Code
ICPS(059) ICPS(112)	OED-TYP3	SOURCE OF EDUCATIONAL ASSISTANCE: OTHER ASSISTANCE (EMPLOYERS, FRIENDS, ETC.)	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(060) ICPS(113)	MCARE	COVERED BY MEDICARE INDICATOR	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(061) ICPS(114)	MCAID	COVERED BY MEDICAID INDICATOR	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(062) ICPS(115)	CHAMP	COVERED BY CHAMPUS, VA, OR MILITARY HEALTH CARE	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(063) ICPS(116)	HI-YN	COVERED BY PRIVATE HEALTH INSURANCE PLAN	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(064) ICPS(117)	HIOWN	PRIVATE HEALTH INSURANCE PLAN UNDER OWN NAME	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(065) ICPS(118)	HIEMP	PRIVATE HEALTH INSURANCE PLAN OFFERED THROUGH CURRENT OR FORMER EMPLOYER OR UNION	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2

APPENDIX 2-E (Continued)

CODED DATA ITEMS IN THE CPS COMPANION FILE

Model Name	CPS Name	Description of Coded Item	Code
ICPS(066) ICPS(119)	HIPAID	PRIVATE HEALTH INSURANCE PLAN OFFERED THROUGH EMPLOYER: PORTION PAID BY EMPLOYER INDICATOR	
		(A) Not in universe	0
		(B) Employer paid all	1
		(C) Employer paid part	2
		(D) Employer paid none	3
ICPS(067) ICPS(120)	HIELSE1	ADDITIONAL PERSONS COVERED BY EMPLOYER HEALTH INSURANCE PLAN: SPOUSE	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(068) ICPS(121)	HIELSE2	ADDITIONAL PERSONS COVERED BY EMPLOYER HEALTH INSURANCE PLAN: CHILDREN IN HOUSEHOLD	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(069) ICPS(122)	HIELSE3	ADDITIONAL PERSONS COVERED BY EMPLOYER HEALTH INSURANCE PLAN: CHILDREN NOT IN HOUSEHOLD	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(070) ICPS(123)	HIELSE4	ADDITIONAL PERSONS COVERED BY EMPLOYER HEALTH INSURANCE PLAN: OTHER PERSONS	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(071) ICPS(124)	HIELSE5	ADDITIONAL PERSONS COVERED BY EMPLOYER HEALTH INSURANCE PLAN: SELF ONLY (NO ONE ELSE)	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(072) ICPS(125)	PENPLAN	EMPLOYER SPONSORED RETIREMENT PLAN AVAILABLE	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2

APPENDIX 2-E (Continued)

CODED DATA ITEMS IN THE CPS COMPANION FILE

Model Name	CPS Name	Description of Coded Item	Code
ICPS(073)	PENINCL	PARTICIPATION IN EMPLOYER'S RETIREMENT PLAN	
ICPS(126)		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(074)	COV-GN	RECODE - DEPENDENTS INCLUDED IN GROUP HEALTH	
ICPS(127)		(A) Not in universe	0
		(B) Yes	1
		(C) No	2
ICPS(075)	COV-HI	RECODE - DEPENDENTS COVERED BY PRIVATE	
ICPS(128)		HEALTH INSURANCE	
		(A) Not in universe	0
		(B) Yes	1
		(C) No	2

APPENDIX 2-F

CODED DATA ITEMS IN THE W2 INFORMATION RETURNS COMPANION FILE

Primary Name	Secondary Name	Description of Coded Item	Code
IW2(01)	IDCODE	INFORMATION RETURN DOCUMENT CODE	
		(A) W2 Information Return	21
		(B) W2-P Information Return	22
IW2(02)	IAMEND	AMENDED RETURN INDICATOR	
		(A) Original	0
		(B) Amended	2
IW2(03)	ITINVAL	PAYEE TIN TYPE	
		(A) DM-1 Valid	0
		(B) Valid Perfected SSN	2
		(C) Invalid Perfected SSN	3
		(D) Valid EIN	4
		(E) Perfected EIN	5
		(F) Unmatchable	6
IW2(05)	IPENPLN	EMPLOYER CONTRIBUTION TO PENSION INDICATOR	
		(A) Not Reported	0
		(B) Yes	1
		(C) No	2
IW2(06)	IPGR	PENSION/IRA PLAN INDICATOR	
		If IDCODE=21	
		(A) Unanswered	0
		(B) Yes, Qualified Plan	1
		(C) No	2
		If IDCODE=22	
		(D) Not Significant	0
		(E) Premature Distribution	1
		(F) Rollover Distribution	2
		(G) Disability Payment	3
		(H) Death Payment	4
		(I) Other Pension payment	6
		(J) Regular IRA or SEP distribution	7
		(K) Excess Contributions and Earnings	8
		(L) Current Insurance Premiums	9
		(M) Excess Contributions plus Earnings/ Excess deferrals taxable in 1987	10
		(M) Tier I Benefits Paid in Tier II	11
		(O) Excess IRA from Prior Year	12
		(P) Railroad Retirement Supplemental	13
		(Q) Tier II Benefits	14
		(F) Windfall Benefits	15

APPENDIX 2-F Continued

CODED DATA ITEMS IN THE W2 INFORMATION RETURNS COMPANION FILE

Primary Name	Secondary Name	Description of Coded Item	Code
IW2(07)	IEMPLOY	KIND OF PAYER (FOR FICA TAXES)	
		(A) Military	1
		(B) Household	2
		(C) Agriculture	3
		(D) Railroad	4
		(E) State/Local Government	5
		(F) Federal Employee with HI tax only	6
		(G) All Other	7
		(H) Not defined	8
IW2(08)	ILEGAL	LEGAL REPRESENTATIVE INDICATOR	
		(A) None Indicated	0
		(B) Indicated	1
IW2(09)	IDEATH	DEATH INDICATOR	
		(A) Assumed Alive	0
		(B) Deceased	1
IW2(10)	ISTATE_W2	STATE CODE	
		(See Table 2-C.2 for values values)	

APPENDIX 2-G

CODED DATA ITEMS IN THE 1099-SSA INFORMATION RETURNS COMPANION FILE

Primary Name	Secondary Name	Description of Coded Item	Code
ISSA(01)	IDCODE	INFORMATION RETURN DOCUMENT CODE	
		(A) 1099-SSA or 1099-RRB Information Return	82
ISSA(02)	IAMEND	AMENDED RETURN INDICATOR	
		(A) Original	0
		(B) Amended	2
ISSA(03)	ITINVAL	PAYEE TIN TYPE	
		(A) DM-1 Valid	0
		(B) Valid Perfected SSN	2
		(C) Invalid Perfected SSN	3
		(D) Valid EIN	4
		(E) Perfected EIN	5
		(F) Unmatchable	6
ISSA(05)	ISTATE_SS	STATE CODE	
		(See Table 2-C.2 for values values)	
ISSA(06)	ITRUST	TRUST FUND INDICATOR	
		(A) Retirement Trust Fund	0
		(B) Disability Trust Fund	1
		(C) Other, NA	2
ISSA(07)	INDSSA	TYPE OF PAYMENTS INDICATOR	
		(A) Either Railroad Retirement Board or Social Security Admin. Payments	0
		(B) Both Railroad Retirement Board and Social Security Admin. Payments	1

APPENDIX 2-H

A DESCRIPTION OF PACKED DATA

All of the Tax Model's data files are "packed" in the sense that only the non-zero elements are stored. This process significantly reduces the amount of tape or disk storage needed. The purpose of this appendix is to describe the characteristics of a packed data file and the subroutines that pack and unpack the data. Note that in this discussion, a "word" is a data element consisting of two bytes (16 bits), a "long-word" is a data element of four bytes (32 bits), and a record is the set of variables associated with a single tax return on a given Tax Model file. Each variable is stored in a word or long-word.

Figure 2.1 illustrates a packed record. A packed record consists of two components; a set of long-word data elements called a "bit map," and the set of non-zero values in the record. The set of non-zero values has two parts. First are integer variables stored in two-byte words. Second are integer and floating point variables stored in long-words (four-bytes). In the example shown in Figure 2.1, the first packed record contains 16 bit map elements, N non-zero integer words, and M long-words. On average, a record on the Base Tax Model data file contains 101 non-zero elements, while an average record on the Supplemental file contains 104 non-zero elements.

Figure 2.2 presents a presents a hypothetical bit map element. Each bit in the bit map corresponds to a variable in a Tax Model record; a '1' indicates that the variable is non-zero and a '0' indicates that the variable is zero. Each data element in the bit map contains 32 bits. So the first bit map element "maps" the first 32 variables in a record; the second bit map element maps the next 32 variables, and so on. Note that the bits in a bit map element are read right-to-left. That is, the 32nd bit corresponds to (maps) the first variable in the Tax Model record.

Since each record on the Tax Model's Base file contains 512 variables, 16 bit map elements are required. That is, a bit map for a record on the Base file is a set of 16 bit map elements. The supplemental base file has 789 variables and therefore requires 25 bit map elements.

Tax Model data are stored in blocks of 20480 bytes. Several records may be stored in each block. Figure 2.1 presents a picture of a packed data block. As Figure 2.1 illustrates, the first element in every packed block of data is the number of records stored in the block. Following this are the 16 bit map long-words. That is, the second data element in a block is the first element of a bit map. Note that a packed record is never

split between blocks. Next are the set of non-zero values of those pre-defined integer variables which can safely be stored in two-byte words. The final set of data elements are the non-zero values of the variables stored in long-words.

The subroutine, FTNPK1_INT2 is used to "pack" the data. The subroutine takes six arguments: the beginning address of the storage array which will contain the packed information, the size of the storage block (20480 bytes for all Tax Model files), the beginning address of the record to be packed, the record length, the number of long-words in the record, and a flag indicating if the record is the last record to be packed.

The subroutine starts by using the record length to determine the number of bit map elements required. The routine then tests each variable in the record to determine if it is equal to zero. If the variable fails the test, the corresponding bit in the bit map is set equal '1'; otherwise the bit remains '0' by default. After processing a record, FTNPK1_INT2 determines whether the packed record will fit into the unused portion of the output block. If so, the block is filled with the bit map and non-zero values and the counter containing the number of records in the block is updated. If the unused portion of the output block is insufficient to receive the packed record, the existing block is written to disk or tape and a new block is started.

The subroutine, FTNUP1_INT2 is used to "unpack" the data. The subroutine takes four arguments: the beginning address of the output array where the unpacked record will be stored, the beginning address of the storage input array containing the block of packed data, the record length, and the number of long-words in the record. The routine starts by using the record length to determine the number of bit map elements in each record. The routine then examines each bit in the bit map to reconstruct the original record.

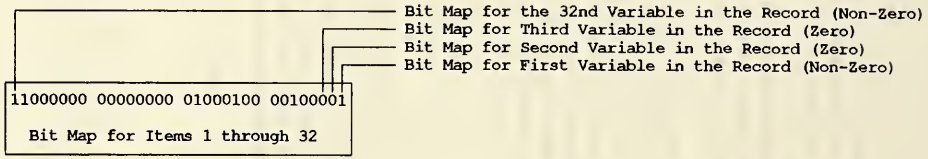
FIGURE 2.1

ILLUSTRATION OF A PACKED DATA BLOCK

Bit Map and Non-Zero Elements for the First Record in a Block															Second Record	
D A T A E L E M E N T S																
	Bit Map Long-words				Non-zero Integer Words						Non-zero Long-Words				Start of	
1	2	3	.....	17	18	19	20	21	...N+17		N+18	N+19	.....	N+M+17	Second Rec	
Number Records In Blk	Bit Map Items 1-32	Bit Map Items 33-64	.....	Bit Map Items 481-512	1st Int Val	2nd Int Val	3rd Int Val	4th Int Val	...	Nth Int Val	1st Nonzero Value	2nd Nonzero Value	.....	Mth Nonzero Value	Bit Map Items 1-32	....

FIGURE 2.2

ILLUSTRATION OF A BIT MAP ELEMENT


Bit Map for the 32nd Variable in the Record (Non-Zero)
Bit Map for Third Variable in the Record (Zero)
Bit Map for Second Variable in the Record (Zero)
Bit Map for First Variable in the Record (Non-Zero)
11000000 00000000 01000100 00100001
Bit Map for Items 1 through 32

Form **1040** Department of the Treasury—Internal Revenue Service **U.S. Individual Income Tax Return** **1989** (X)

For the year Jan.–Dec. 31, 1989, or other tax year beginning , 1989, ending , 19 OMB No 1545-0074

Label Use IRS label. Otherwise, please print or type.

LABEL HERE

Your first name and initial Last name — Your social security number

If a joint return, spouse's first name and initial Last name — Spouse's social security number

Home address (number and street). (If a P.O. box, see page 7 of Instructions.) Apt. no.

City, town or post office, state and ZIP code. (If a foreign address, see page 7.)

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Presidential Election Campaign Do you want $1 to go to this fund? Yes No
If joint return, does your spouse want $1 to go to this fund? Yes No
Note: *Checking "Yes" will not change your tax or reduce your refund*

Filing Status Check only one box.

1 ☐ Single
2 ☐ Married filing joint return (even if only one had income)
3 ☐ Married filing separate return. Enter spouse's social security no. above and full name here.
4 ☐ Head of household (with qualifying person). (See page 7 of Instructions.) If the qualifying person is your child but not your dependent, enter child's name here.
5 ☐ Qualifying widow(er) with dependent child (year spouse died ▶ 19). (See page 7 of Instructions.)

Exemptions (See Instructions on page 8.)

6a ☐ **Yourself** If someone (such as your parent) can claim you as a dependent on his or her tax return, do not check box 6a. But be sure to check the box on line 33b on page 2
b ☐ **Spouse**

c **Dependents:**

(1) Name (first, initial, and last name)	(2) Check if under age 2	(3) If age 2 or older, dependent's social security number	(4) Relationship	(5) No. of months lived in your home in 1989

If more than 6 dependents, see Instructions on page 8.

No. of boxes checked on 6a and 6b
No. of your children on 6c who:
• lived with you
• didn't live with you due to divorce or separation (see page 9)
No. of other dependents on 6c
Add numbers entered on lines above ▶

d If your child didn't live with you but is claimed as your dependent under a pre-1985 agreement, check here ▶ ☐
e Total number of exemptions claimed

Income Please attach Copy B of your Forms W-2, W-2G, and W-2P here.

If you do not have a W-2, see page 6 of Instructions.

Please attach check or money order here.

7	Wages, salaries, tips, etc. *(attach Form(s) W-2)*		7
8a	Taxable interest income *(also attach Schedule B if over $400)*		8a
b	Tax-exempt interest income (see page 10). DON'T include on line 8a 8b		
9	Dividend income *(also attach Schedule B if over $400)*		9
10	Taxable refunds of state and local income taxes, if any, from worksheet on page 11 of Instructions		10
11	Alimony received		11
12	Business income or (loss) *(attach Schedule C)*		12
13	Capital gain or (loss) *(attach Schedule D)*		13
14	Capital gain distributions not reported on line 13 (see page 11)		14
15	Other gains or (losses) *(attach Form 4797)*		15
16a	Total IRA distributions 16a 16b Taxable amount (see page 11)		16b
17a	Total pensions and annuities 17a 17b Taxable amount (see page 12)		17b
18	Rents, royalties, partnerships, estates, trusts, etc. *(attach Schedule E)*		18
19	Farm income or (loss) *(attach Schedule F)*		19
20	Unemployment compensation (insurance) (see page 13)		20
21a	Social security benefits. 21a 21b Taxable amount (see page 13)		21b
22	Other income (list type and amount—see page 13)		22
23	Add the amounts shown in the far right column for lines 7 through 22. This is your **total income** ▶		23

Adjustments to Income (See Instructions on page 14.)

24	Your IRA deduction, from applicable worksheet on page 14 or 15	24	
25	Spouse's IRA deduction, from applicable worksheet on page 14 or 15	25	
26	Self-employed health insurance deduction, from worksheet on page 15	26	
27	Keogh retirement plan and self-employed SEP deduction	27	
28	Penalty on early withdrawal of savings	28	
29	Alimony paid. a Recipient's last name and b social security number.	29	
30	Add lines 24 through 29. These are your **total adjustments** ▶		30

Adjusted Gross Income

31	Subtract line 30 from line 23. This is your **adjusted gross income.** *If this line is less than $19,340 and a child lived with you, see "Earned Income Credit" (line 58) on page 20 of the Instructions. If you want IRS to figure your tax, see page 16 of the Instructions* ▶	31

Tax Computation

32 Amount from line 31 (adjusted gross income) 32

33a Check if: ☐ You were 65 or older ☐ Blind; ☐ Spouse was 65 or older ☐ Blind.
Add the number of boxes checked and enter the total here . . . . . ▶ 33a

b If someone (such as your parent) can claim you as a dependent, check here . . ▶ 33b ☐

c If you are married filing a separate return and your spouse itemizes deductions, or you are a dual-status alien, see page 16 and check here . . . . . ▶ 33c ☐

34 Enter the larger of: • Your **standard deduction** (from page 17 of the Instructions), **OR** • Your **itemized deductions** (from Schedule A, line 26). If you itemize, attach Schedule A and check here . . ▶ ☐ 34

35 Subtract line 34 from line 32. Enter the result here 35

36 Multiply $2,000 by the total number of exemptions claimed on line 6e 36

37 **Taxable income.** Subtract line 36 from line 35. Enter the result (if less than zero, enter zero) . . 37

Caution: If under age 14 and you have more than $1,000 of investment income, check here ▶ ☐ and see page 17 to see if you have to use Form 8615 to figure your tax.

38 Enter tax. Check if from: a ☐ Tax Table, b ☐ Tax Rate Schedules, or c ☐ Form 8615.
(If any is from Form(s) 8814, enter that amount here ▶ d _____.) 38

39 Additional taxes (see page 18). Check if from: a ☐ Form 4970 b ☐ Form 4972 39

40 Add lines 38 and 39. Enter the total . . . . . ▶ 40

Credits (See Instructions on page 18.)

41 Credit for child and dependent care expenses *(attach Form 2441)* 41

42 Credit for the elderly or the disabled *(attach Schedule R)* . . . 42

43 Foreign tax credit *(attach Form 1116)* 43

44 General business credit. Check if:
a ☐ Form 3800 or b ☐ Form (specify) _____ . . . 44

45 Credit for prior year minimum tax *(attach Form 8801)* 45

46 Add lines 41 through 45. Enter the total 46

47 Subtract line 46 from line 40. Enter the result (if less than zero, enter zero) . . . . . ▶ 47

Other Taxes (Including Advance EIC Payments)

48 Self-employment tax *(attach Schedule SE)* 48

49 Alternative minimum tax *(attach Form 6251)* 49

50 Recapture taxes (see page 18). Check if from: a ☐ Form 4255 b ☐ Form 8611 . . . 50

51 Social security tax on tip income not reported to employer *(attach Form 4137)* 51

52 Tax on an IRA or a qualified retirement plan *(attach Form 5329)* 52

53 Add lines 47 through 52. Enter the total . . . . . ▶ 53

Medicare Premium

54 Supplemental Medicare premium *(attach Form 8808)* 54

55 Add lines 53 and 54. This is your **total tax** and any supplemental Medicare premium . . . . ▶ 55

Payments Attach Forms W-2, W-2G, and W-2P to front.

56 Federal income tax withheld (if any is from Form(s) 1099, check ▶ ☐) 56

57 1989 estimated tax payments and amount applied from 1988 return 57

58 Earned income credit (see page 20) 58

59 Amount paid with Form 4868 (extension request) 59

60 Excess social security tax and RRTA tax withheld (see page 20) 60

61 Credit for Federal tax on fuels *(attach Form 4136)* 61

62 Regulated investment company credit *(attach Form 2439)* . . 62

63 Add lines 56 through 62. These are your **total payments** . . . . . ▶ 63

Refund or Amount You Owe

64 If line 63 is larger than line 55, enter amount **OVERPAID** . . . . . ▶ 64

65 Amount of line 64 to be **REFUNDED TO YOU** . . . . . ▶ 65

66 Amount of line 64 to be **APPLIED TO YOUR 1990 ESTIMATED TAX** ▶ 66

67 If line 55 is larger than line 63, enter **AMOUNT YOU OWE.** Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number, daytime phone number, and "1989 Form 1040" on it 67

68 Penalty for underpayment of estimated tax (see page 21) . . . 68

Sign Here (Keep a copy of this return for your records.)

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation
Spouse's signature (if joint return, BOTH must sign)	Date	Spouse's occupation

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed ☐	Preparer's social security no.
Firm's name (or yours if self-employed) and address		E.I. No.	
		ZIP code	

SCHEDULES A&B (Form 1040)

Department of the Treasury
Internal Revenue Service (x)

Schedule A—Itemized Deductions

(Schedule B is on back)

▶ Attach to Form 1040. ▶ See Instructions for Schedules A and B (Form 1040).

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Attachment Sequence No 07

Name(s) shown on Form 1040

Your social security number

Medical and Dental Expenses (Do not include expenses reimbursed or paid by others.) (See Instructions on page 23.)	1a	Prescription medicines and drugs, insulin, doctors, dentists, nurses, hospitals, medical insurance premiums you paid, etc.	1a	
	b	Other. (List—include hearing aids, dentures, eyeglasses, transportation and lodging, etc.) ▶	1b	
	2	Add the amounts on lines 1a and 1b. Enter the total here	2	
	3	Multiply the amount on Form 1040, line 32, by 7.5% (.075)	3	
	4	Subtract line 3 from line 2. If zero or less, enter -0-. **Total** medical and dental ▶		4
Taxes You Paid (See Instructions on page 24.)	5	State and local income taxes	5	
	6	Real estate taxes	6	
	7	Other taxes. (List—include personal property taxes.) ▶	7	
	8	Add the amounts on lines 5 through 7. Enter the total here. **Total** taxes ▶		8
Interest You Paid (See Instructions on page 24.)	9a	Deductible home mortgage interest (from Form 1098) that you paid to financial institutions. Report deductible points on line 10.	9a	
	b	Other deductible home mortgage interest. (If paid to an individual, show that person's name and address.) ▶	9b	
	10	Deductible points. (See Instructions for special rules.)	10	
	11	Deductible investment interest. (See page 25.)	11	
	12a	Personal interest you paid. (See page 25.) 12a		
	b	Multiply the amount on line 12a by 20% (.20). Enter the result	12b	
	13	Add the amounts on lines 9a through 11, and 12b. Enter the total here. **Total** interest ▶		13
Gifts to Charity (See Instructions on page 25.)	14	Contributions by cash or check. (If you gave $3,000 or more to any one organization, show to whom you gave and how much you gave.) ▶	14	
	15	Other than cash or check. (You must attach Form 8283 if over $500.)	15	
	16	Carryover from prior year	16	
	17	Add the amounts on lines 14 through 16. Enter the total here. **Total** contributions ▶		17
Casualty and Theft Losses	18	Casualty or theft loss(es) (attach Form 4684). (See page 26 of the Instructions.) ▶		18
Moving Expenses	19	Moving expenses (attach Form 3903 or 3903F). (See page 26 of the Instructions.) ▶		19
Job Expenses and Most Other Miscellaneous Deductions (See page 26 for expenses to deduct here.)	20	Unreimbursed employee expenses—job travel, union dues, job education, etc. (You MUST attach Form 2106 in some cases. See Instructions.) ▶	20	
	21	Other expenses (investment, tax preparation, safe deposit box, etc.). List type and amount ▶	21	
	22	Add the amounts on lines 20 and 21. Enter the total.	22	
	23	Multiply the amount on Form 1040, line 32, by 2% (.02). Enter the result here	23	
	24	Subtract line 23 from line 22. Enter the result. If zero or less, enter -0- ▶		24
Other Miscellaneous Deductions	25	Other (from list on page 26 of Instructions). List type and amount ▶ ▶		25
Total Itemized Deductions	26	Add the amounts on lines 4, 8, 13, 17, 18, 19, 24, and 25. Enter the total here. Then enter on Form 1040, line 34, the LARGER of this total or your standard deduction from page 17 of the Instructions ▶		26

Name(s) shown on Form 1040. (Do not enter name and social security number if shown on other side.) | Your social security number

Schedule B—Interest and Dividend Income

Attachment Sequence No. 08

Part I Interest Income

(See Instructions on pages 10 and 27.)

If you received more than $400 in taxable interest income, you must complete Parts I and III. List ALL interest received in Part I. If you received, as a nominee, interest that actually belongs to another person, or you received or paid accrued interest on securities transferred between interest payment dates, see page 27.

Interest Income

			Amount
1	Interest income from seller-financed mortgages. (See Instructions and list name of payer.) ►	1	
2	Other interest income. (List name of payer.) ►	2	
3	Add the amounts on lines 1 and 2. Enter the total here and on Form 1040, line 8a. ►	3	

Note: If you received a Form 1099-INT or Form 1099-OID from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

Part II Dividend Income

(See Instructions on pages 10 and 27.)

If you received more than $400 in gross dividends and/or other distributions on stock, you must complete Parts II and III. If you received, as a nominee, dividends that actually belong to another person, see page 27.

Dividend Income

			Amount
4	Dividend income. (List name of payer—include on this line capital gain distributions, nontaxable distributions, etc.) ►	4	
5	Add the amounts on line 4. Enter the total here	5	
6	Capital gain distributions. Enter here and on Schedule D*	6	
7	Nontaxable distributions. (See the Instructions for Form 1040, line 9.)	7	
8	Add the amounts on lines 6 and 7. Enter the total here	8	
9	Subtract line 8 from line 5. Enter the result here and on Form 1040, line 9 ►	9	

Note: If you received a Form 1099-DIV from a brokerage firm, list the firm's name as the payer and enter the total dividends shown on that form.

**If you received capital gain distributions but do not need Schedule D to report any other gains or losses, see the Instructions for Form 1040, lines 13 and 14.*

Part III Foreign Accounts and Foreign Trusts

(See Instructions on page 27.)

If you received more than $400 of interest or dividends, OR if you had a foreign account or were a grantor of, or a transferor to, a foreign trust, you must answer both questions in Part III.

		Yes	No
10a	At any time during 1989, did you have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See page 27 of the Instructions for exceptions and filing requirements for Form TD F 90-22.1.)		
b	If "Yes," enter the name of the foreign country ►		
11	Were you the grantor of, or transferor to, a foreign trust that existed during 1989, whether or not you have any beneficial interest in it? If "Yes," you may have to file Form 3520, 3520-A, or 926		

SCHEDULE C (Form 1040)

Department of the Treasury
Internal Revenue Service (X)

Profit or Loss From Business

(Sole Proprietorship)

Partnerships, Joint Ventures, Etc., Must File Form 1065.

▶ Attach to Form 1040 or Form 1041. ▶ See Instructions for Schedule C (Form 1040).

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Attachment Sequence No 09

Name of proprietor | Social security number (SSN)

A Principal business or profession, including product or service (see Instructions) | B Principal business code (from page 2) ▶

C Business name and address ▶ | D Employer ID number (Not SSN)

E Method(s) used to value closing inventory: (1) ☐ Cost (2) ☐ Lower of cost or market (3) ☐ Other (attach explanation) (4) ☐ Does not apply (if checked, skip line G)

F Accounting method: (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶

		Yes	No
G	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? (If "Yes," attach explanation.)		
H	Are you deducting expenses for business use of your home? (If "Yes," see Instructions for limitations.)		
I	Did you "materially participate" in the operation of this business during 1989? (If "No," see Instructions for limitations on losses.)		

J If this schedule includes a loss, credit, deduction, income, or other tax benefit relating to a tax shelter required to be registered, check here ▶ ☐
If you checked this box, you MUST attach **Form 8271**.

Part I Income

1	Gross receipts or sales	1	
2	Returns and allowances	2	
3	Subtract line 2 from line 1 Enter the result here		3
4	Cost of goods sold and/or operations (from line 39 on page 2)		4
5	Subtract line 4 from line 3 and enter the **gross profit** here		5
6	Other income, including Federal and state gasoline or fuel tax credit or refund (see Instructions)		6
7	Add lines 5 and 6 This is your **gross income** ▶		7

Part II Expenses

8	Advertising	8	22	Repairs	22
9	Bad debts from sales or services (see Instructions)	9	23	Supplies (not included in Part III)	23
10	Car and truck expenses	10	24	Taxes	24
11	Commissions	11	25	Travel, meals, and entertainment.	
12	Depletion	12	a	Travel	25a
13	Depreciation and section 179 deduction from **Form 4562** (not included in Part III)	13	b	Meals and entertainment	
14	Employee benefit programs (other than on line 20)	14	c	Enter 20% of line 25b subject to limitations (see Instructions)	
15	Freight (not included in Part III)	15	d	Subtract line 25c from line 25b	25d
16	Insurance (other than health)	16	26	Utilities (see Instructions)	26
17	Interest		27	Wages (less jobs credit)	27
a	Mortgage (paid to banks, etc.)	17a	28	Other expenses (list type and amount).	
b	Other	17b			
18	Legal and professional services	18			
19	Office expense	19			
20	Pension and profit-sharing plans	20			
21	Rent or lease				
a	Machinery and equipment	21a			
b	Other business property	21b			28

29 Add amounts in columns for lines 8 through 28 These are your **total expenses** ▶ 29

30 **Net profit or (loss).** Subtract line 29 from line 7 If a profit, enter here and on Form 1040, line 12, and on Schedule SE, line 2 If a loss, you MUST go on to line 31. (Fiduciaries, see Instructions.) 30

31 If you have a loss, you MUST check the box that describes your investment in this activity (see Instructions)
If you checked 31a, enter the loss on Form 1040, line 12, and Schedule SE, line 2
If you checked 31b, you MUST attach **Form 6198.**

31a ☐ All investment is at risk
31b ☐ Some investment is not at risk

Part III Cost of Goods Sold and/or Operations (See Instructions.)

32	Inventory at beginning of year. (If different from last year's closing inventory, attach explanation.)	32	
33	Purchases less cost of items withdrawn for personal use	33	
34	Cost of labor (Do not include salary paid to yourself.)	34	
35	Materials and supplies	35	
36	Other costs	36	
37	Add lines 32 through 36	37	
38	Inventory at end of year	38	
39	**Cost of goods sold and/or operations.** Subtract line 38 from line 37. Enter the result here and on page 1, line 4	39	

Part IV Principal Business or Professional Activity Codes (*Caution: Codes have been revised. Check your code carefully.*)

Locate the major business category that best describes your activity (for example, Retail Trade, Services, etc.). Within the major category, select the activity code that most closely identifies the business or profession that is the principal source of your sales or receipts. **Enter this 4-digit code on page 1, line B.** (**Note:** *If your principal source of income is from farming activities, you should file* **Schedule F** *(Form 1040), Farm Income and Expenses.*)

Construction

Code

0018 Operative builders (for own account)

General contractors

0034 Residential building
0059 Nonresidential building
0075 Highway and street construction
3889 Other heavy construction (pipe laying, bridge construction, etc.)

Building trade contractors, including repairs

0232 Plumbing, heating, air conditioning
0257 Painting and paper hanging
0273 Electrical work
0299 Masonry, dry wall, stone, tile
0414 Carpentering and flooring
0430 Roofing, siding, and sheet metal
0455 Concrete work
0885 Other building trade contractors (excavation, glazing, etc.)

Manufacturing, Including Printing and Publishing

0638 Food products and beverages
0653 Textile mill products
0679 Apparel and other textile products
0695 Leather, footware, handbags, etc.
0810 Furniture and fixtures
0836 Lumber and other wood products
0851 Printing and publishing
0877 Paper and allied products
1032 Stone, clay, and glass products
1057 Primary metal industries
1073 Fabricated metal products
1099 Machinery and machine shops
1115 Electric and electronic equipment
1883 Other manufacturing industries

Mining and Mineral Extraction

1511 Metal mining
1537 Coal mining
1552 Oil and gas
1719 Quarrying and nonmetallic mining

Agricultural Services, Forestry, Fishing

1933 Crop services
1958 Veterinary services, including pets
1974 Livestock breeding
1990 Other animal services
2113 Farm labor and management services
2212 Horticulture and landscaping
2238 Forestry, except logging
0836 Logging
2246 Commercial fishing
2469 Hunting and trapping

Wholesale Trade—Selling Goods to Other Businesses, Etc.

Durable goods, including machinery, equipment, wood, metals, etc.

2618 Selling for your own account
2634 Agent or broker for other firms—more than 50% of gross sales on commission

Nondurable goods, including food, fiber, chemicals, etc.

2659 Selling for your own account
2675 Agent or broker for other firms—more than 50% of gross sales on commission

Retail Trade—Selling Goods to Individuals and Households

3012 Selling door-to-door, by telephone or party plan, or from mobile unit
3038 Catalog or mail order
3053 Vending machine selling

Selling From Showroom, Store, or Other Fixed Location

Food, beverages, and drugs

3079 Eating places (meals or snacks)
3086 Catering services
3095 Drinking places (alcoholic beverages)
3210 Grocery stores (general line)
0612 Bakeries selling at retail
3236 Other food stores (meat, produce, candy, etc.)
3251 Liquor stores
3277 Drug stores

Automotive and service stations

3319 New car dealers (franchised)
3335 Used car dealers
3517 Other automotive dealers (motorcycles, recreational vehicles, etc.)
3533 Tires, accessories, and parts
3558 Gasoline service stations

General merchandise, apparel, and furniture

3715 Variety stores
3731 Other general merchandise stores
3756 Shoe stores
3772 Men's and boys' clothing stores
3913 Women's ready-to-wear stores
3921 Women's accessory and specialty stores and furriers
3939 Family clothing stores
3954 Other apparel and accessory stores
3970 Furniture stores
3996 TV, audio, and electronics
3988 Computer and software stores
4119 Household appliance stores
4317 Other home furnishing stores (china, floor coverings, etc.)
4333 Music and record stores

Building, hardware, and garden supply

4416 Building materials dealers
4432 Paint, glass, and wallpaper stores
4457 Hardware stores
4473 Nurseries and garden supply stores

Other retail stores

4614 Used merchandise and antique stores (except motor vehicle parts)
4630 Gift, novelty, and souvenir shops
4655 Florists
4671 Jewelry stores
4697 Sporting goods and bicycle shops
4812 Boat dealers
4838 Hobby, toy, and game shops
4853 Camera and photo supply stores
4879 Optical goods stores
4895 Luggage and leather goods stores
5017 Book stores, excluding newsstands
5033 Stationery stores
5058 Fabric and needlework stores
5074 Mobile home dealers
5090 Fuel dealers (except gasoline)
5884 Other retail stores

Finance, Insurance, Real Estate, and Related Services

5520 Real estate agents or brokers
5579 Real estate property managers
5710 Subdividers and developers, except cemeteries
5538 Operators and lessors of buildings, including residential
5553 Operators and lessors of other real property
5702 Insurance agents or brokers
5744 Other insurance services
6064 Security brokers and dealers
6080 Commodity contracts brokers and dealers, and security and commodity exchanges
6130 Investment advisors and services
6148 Credit institutions and mortgage bankers
6155 Title abstract offices
5777 Other finance and real estate

Transportation, Communications, Public Utilities, and Related Services

6114 Taxicabs
6312 Bus and limousine transportation
6361 Other highway passenger transportation
6338 Trucking (except trash collection)
6395 Courier or package delivery services
6510 Trash collection without own dump
6536 Public warehousing
6551 Water transportation
6619 Air transportation
6635 Travel agents and tour operators
6650 Other transportation services
6676 Communication services
6692 Utilities, including dumps, snowplowing, road cleaning, etc.

Services (Personal, Professional, and Business Services)

Hotels and other lodging places

7096 Hotels, motels, and tourist homes
7211 Rooming and boarding houses
7237 Camps and camping parks

Laundry and cleaning services

7419 Coin-operated laundries and dry cleaning
7435 Other laundry, dry cleaning, and garment services
7450 Carpet and upholstery cleaning
7476 Janitorial and related services (building, house, and window cleaning)

Business and/or personal services

7617 Legal services (or lawyer)
7633 Income tax preparation
7658 Accounting and bookkeeping
7518 Engineering services
7682 Architectural services
7708 Surveying services
7245 Management services
7260 Public relations
7286 Consulting services
7716 Advertising, except direct mail
7732 Employment agencies and personnel supply
7799 Consumer credit reporting and collection services
7856 Mailing, reproduction, commercial art and photography, and stenographic services
7872 Computer programming, processing, data preparation, and related services
7922 Computer repair, maintenance, and leasing
7773 Equipment rental and leasing (except computer or automotive)
7914 Investigative and protective services
7880 Other business services

Personal services

8110 Beauty shops (or beautician)
8318 Barber shop (or barber)
8334 Photographic portrait studios
8532 Funeral services and crematories
8714 Child day care
8730 Teaching or tutoring
8755 Counseling (except health practitioners)
8771 Ministers and chaplains
6882 Other personal services

Automotive services

8813 Automotive rental or leasing, without driver
8839 Parking, except valet
8953 Automotive repairs, general and specialized
8896 Other automotive services (wash, towing, etc.)

Miscellaneous repair, except computers

9019 TV and audio equipment repair
9035 Other electrical equipment repair
9050 Reupholstery and furniture repair
2881 Other equipment repair

Medical and health services

9217 Offices and clinics of medical doctors (MDs)
9233 Offices and clinics of dentists
9258 Osteopathic physicians and surgeons
9241 Podiatrists
9274 Chiropractors
9290 Optometrists
9415 Registered and practical nurses
9431 Other health practitioners
9456 Medical and dental laboratories
9472 Nursing and personal care facilities
9886 Other health services

Amusement and recreational services

8557 Physical fitness facilities
9597 Motion picture and video production
9688 Motion picture and tape distribution and allied services
9613 Videotape rental
9639 Motion picture theaters
9670 Bowling centers
9696 Professional sports and racing, including promoters and managers
9811 Theatrical performers, musicians, agents, producers, and related services
9837 Other amusement and recreational services

8888 Unable to classify

SCHEDULE D
(Form 1040)

Department of the Treasury
Internal Revenue Service (X)

Capital Gains and Losses
(And Reconciliation of Forms 1099-B)

► Attach to Form 1040. ► See Instructions for Schedule D (Form 1040).
► For more space to list transactions for lines 2a and 9a, get Schedule D-1 (Form 1040).

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1989

Attachment Sequence No. 12A

Name(s) shown on Form 1040

Your social security number

1 Report here the total sales of stocks, bonds, etc., reported for 1989 to you on Form(s) 1099-B or on an equivalent substitute statement(s). If this amount differs from the total of lines 2c and 9c, column (d), attach a statement explaining the difference. See the instructions for line 1 for examples 1

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

(a) Description of property (Example, 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) LOSS If (e) is more than (d), subtract (d) from (e)	(g) GAIN If (d) is more than (e), subtract (e) from (d)
2a Stocks, Bonds, and Other Securities (Include all Form 1099-B transactions. See Instructions.)						
2b Amounts from Schedule D-1, line 2b (attach Schedule D-1)						
2c Total (add column (d) of lines 2a and 2b) . ► 2c						
2d Other Transactions (Include Real Estate Transactions From Forms 1099-S.)						

3	Short-term gain from sale or exchange of your home from Form 2119, line 8a or 14	3	
4	Short-term gain from installment sales from Form 6252, line 22 or 30	4	
5	Net short-term gain or (loss) from partnerships, S corporations, and fiduciaries	5	
6	Short-term capital loss carryover	6	( )
7	Add all of the transactions on lines 2a, 2b, and 2d and lines 3 through 6 in columns (f) and (g)	7	( )
8	Net short-term gain or (loss), combine columns (f) and (g) of line 7		8

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

(a) Description of property (Example, 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) LOSS If (e) is more than (d), subtract (d) from (e)	(g) GAIN If (d) is more than (e), subtract (e) from (d)
9a Stocks, Bonds, and Other Securities (Include all Form 1099-B transactions. See Instructions.)						
9b Amounts from Schedule D-1, line 9b (attach Schedule D-1)						
9c Total (add column (d) of lines 9a and 9b) . ► 9c						
9d Other Transactions (Include Real Estate Transactions From Forms 1099-S.)						

10	Long-term gain from sale or exchange of your home from Form 2119, line 8a, 10, or 14	10	
11	Long-term gain from installment sales from Form 6252, line 22 or 30	11	
12	Net long-term gain or (loss) from partnerships, S corporations, and fiduciaries	12	
13	Capital gain distributions	13	
14	Enter gain from Form 4797, line 7 or 9	14	
15	Long-term capital loss carryover	15	
16	Add all of the transactions on lines 9a, 9b, and 9d and lines 10 through 15 in columns (f) and (g)	16	( )
17	Net long-term gain or (loss), combine columns (f) and (g) of line 16		17

Name(s) shown on Form 1040 (Do not enter name and social security number if shown on other side.) | Your social security number

Part III Summary of Parts I and II

18	Combine lines 8 and 17, and enter the net gain or (loss) here. If result is a gain, **stop here** and also enter the gain on Form 1040, line 13. If the result is a (loss), go on to line 19	18	
19	If line 18 is a (loss), enter here and as a (loss) on Form 1040, line 13, the **smaller** of:		
a	The (loss) on line 18; **or**		
b	($3,000) or, if married filing a separate return, ($1,500)	19	( )
	Note: *When figuring whether 19a or 19b is* ***smaller,*** *treat both numbers as if they are positive.* Go on to Part IV if the loss on line 18 is more than $3,000 ($1,500, if married filing a separate return), OR if taxable income on Form 1040, line 37, is zero.		

Part IV Figure Your Capital Loss Carryovers From 1989 to 1990

Section A.—Figure Your Carryover Limit

20	Enter taxable income or loss from Form 1040, line 37. **(If Form 1040, line 37, is zero, see the Instructions for the amount to enter.)**	20	
	Note: *For lines 21 through 36, treat all amounts as* positive.		
21	Enter the loss shown on line 19	21	
22	Enter the amount shown on Form 1040, line 36	22	
23	Combine lines 20, 21, and 22. If zero or less, enter zero	23	
24	Enter the **smaller** of line 21 or line 23	24	

Section B.—Figure Your Short-Term Capital Loss Carryover

(Complete this section only if there is a loss shown on line 8 and line 19. Otherwise, go on to Section C.)

25	Enter the loss shown on line 8			25	
26	Enter the gain, if any, shown on line 17	26			
27	Enter the amount shown on line 24	27			
28	Add lines 26 and 27			28	
29	Subtract line 28 from line 25. If zero or less, enter zero. This is your **short-term capital loss carryover from 1989 to 1990**			29	

Section C.—Figure Your Long-Term Capital Loss Carryover

(Complete this section only if there is a loss shown on line 17 and line 19.)

30	Enter the loss shown on line 17			30	
31	Enter the gain, if any, shown on line 8			31	
32	Enter the amount shown on line 24	32			
33	Enter the amount, if any, shown on line 25	33			
34	Subtract line 33 from line 32. If zero or less, enter zero			34	
35	Add lines 31 and 34			35	
36	Subtract line 35 from line 30. If zero or less, enter zero. This is your **long-term capital loss carryover from 1989 to 1990**			36	

Part V Complete This Part Only If You Elect Out of the Installment Method and Report a Note or Other Obligation at Less Than Full Face Value

37	Check here if you elect out of the installment method	▶	☐
38	Enter the face amount of the note or other obligation	▶	
39	Enter the percentage of valuation of the note or other obligation	▶	

Part VI Reconcile Forms 1099-B for Bartering Transactions

(Complete this part if you received one or more Form(s) 1099-B or an equivalent substitute statement(s) reporting bartering income.)

			Amount of bartering income from Form 1099-B or equivalent statement reported on form or schedule
40	Form 1040, line 22	40	
41	Schedule C (Form 1040)	41	
42	Schedule D (Form 1040)	42	
43	Schedule E (Form 1040)	43	
44	Schedule F (Form 1040)	44	
45	Other form (identify) (if not taxable, indicate reason—attach additional sheets if necessary) ▶	45	
46	Total (add lines 40 through 45)	46	

Note: *The amount on line 46 should be the same as the total bartering income on all Forms 1099-B and equivalent statements received*

SCHEDULE E (Form 1040)

Department of the Treasury
Internal Revenue Service (X)

Supplemental Income and Loss

(From rents, royalties, partnerships, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040 or Form 1041.
▶ See Instructions for Schedule E (Form 1040).

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1989

Attachment Sequence No 13

Name(s) shown on return

Your social security number

Part I Income or Loss From Rentals and Royalties **Caution:** *Your rental loss may be limited. See Instructions.*

1 Show the kind and location of **rental property:**

A .....

B .....

C .....

2 For each rental property listed on line 1, did you or your family use it for personal purposes for more than the greater of 14 days or 10% of the total days rented at fair rental value during the tax year?

3 For each **rental real estate property** listed on line 1, did you actively participate in its operation during the tax year? (See Instructions.)

	Yes	No
2 A		
2 B		
2 C		
3 A		
3 B		
3 C		

Rental and Royalty Income:		Properties A	Properties B	Properties C	D Totals (Add columns A, B, and C)
4 Rents received	4				4
5 Royalties received	5				5
Rental and Royalty Expenses:					
6 Advertising	6				
7 Auto and travel	7				
8 Cleaning and maintenance	8				
9 Commissions	9				
10 Insurance	10				
11 Legal and other professional fees	11				
12 Mortgage interest paid to banks, etc. (see Instructions)	12				12
13 Other interest	13				
14 Repairs	14				
15 Supplies	15				
16 Taxes	16				
17 Utilities (see Instructions)	17				
18 Wages and salaries	18				
19 Other (list) ▶	19				
20 Add lines 6 through 19	20				20
21 Depreciation expense or depletion (see Instructions)	21				21
22 Total expenses. Add lines 20 and 21	22				
23 Income or (loss) from rental or royalty properties. Subtract line 22 from line 4 (rents) or line 5 (royalties). If the result is a (loss), see Instructions to find out if you must file **Form 6198**	23				
24 Deductible rental loss. **Caution:** *Your rental loss on line 23 may be limited. See Instructions to find out if you must file* ***Form 8582***	24	( )	( )	( )	
25 **Income.** Add rental and royalty income from line 23. Enter the total income here					25
26 **Losses.** Add royalty losses from line 23 and rental losses from line 24. Enter the total losses here					26 ( )
27 Combine amounts on lines 25 and 26. Enter the net income or (loss) here					27
28 Net farm rental income or (loss) from Form 4835. (Also complete line 43 on page 2.)					28
29 Total rental and royalty income or (loss). Combine amounts on lines 27 and 28. Enter the result here. If Parts II, III, and IV on page 2 do not apply to you, enter the amount from line 29 on Form 1040, line 18. Otherwise, include the amount from line 29 in the total on line 42 on page 2					29

Name(s) shown on return (Do not enter name and social security number if shown on other side.) | Your social security number

Note: *If you report amounts from farming or fishing on Schedule E, you must include your gross income from those activities on line 43 below.*

Part II Income or Loss From Partnerships and S Corporations

If you report a loss from an at-risk activity, you MUST check either column (e) or (f) to describe your investment in the activity. See Instructions. If you check column (f), you must attach **Form 6198.**

30	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	Investment At Risk? (e) All is at risk	(f) Some is not at risk
A						
B						
C						
D						
E						

	Passive Income and Loss		Nonpassive Income and Loss		
	(g) Passive loss allowed from Form 8582	(h) Passive income from Schedule K-1	(i) Nonpassive loss from Schedule K-1	(j) Section 179 deduction (see Instructions for limits)	(k) Nonpassive income from Schedule K-1
A					
B					
C					
D					
E					
31a Totals					
b Totals					

32	Add amounts in columns (h) and (k) of line 31a. Enter the total income here	32	
33	Add amounts in columns (g), (i), and (j) of line 31b. Enter the total here	33	( )
34	Total partnership and S corporation income or (loss). Combine amounts on lines 32 and 33. Enter the result here and include in the total on line 42 below	34	

Part III Income or Loss From Estates and Trusts

35	(a) Name	(b) Employer identification number
A		
B		
C		

	Passive Income and Loss		Nonpassive Income and Loss	
	(c) Passive deduction or loss allowed from Form 8582	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A				
B				
C				
36a Totals				
b Totals				

37	Add amounts in columns (d) and (f) of line 36a. Enter the total income here	37	
38	Add amounts in columns (c) and (e) of line 36b. Enter the total here	38	( )
39	Total estate and trust income or (loss). Combine amounts on lines 37 and 38. Enter the result here and include in the total on line 42 below	39	

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)—Residual Holder

40	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see Instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b

41	Combine amounts in columns (d) and (e) only. Enter the result here and include in the total on line 42 below	41	

Part V Summary of Parts I Through IV

42	TOTAL income or (loss). Combine amounts on lines 29, 34, 39, and 41. Enter the result here and on Form 1040, line 18 ▶	42	

Part VI Reconciliation of Farming and Fishing Income

43	Farmers and fishermen: Enter your **gross** farming and fishing income reported in Parts I, II, and III (see Instructions)	43		

SCHEDULE F (Form 1040)

Department of the Treasury
Internal Revenue Service (X)

Farm Income and Expenses

▶ Attach to Form 1040, Form 1041, or Form 1065.

▶ See Instructions for Schedule F (Form 1040).

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Attachment Sequence No 14

Name of proprietor | Social security number (SSN)

A Principal product (Describe in one or two words your principal crop or activity for the current tax year) | B Agricultural activity code (from Part IV) ▶

C Accounting method ☐ Cash ☐ Accrual | D Employer ID number (Not SSN)

E Did you make an election in a prior year to include Commodity Credit Corporation loan proceeds as income in that year? ☐ Yes ☐ No

F Did you "materially participate" in the operation of this business during 1989? (If "No," see Instructions for limitations on losses.) ☐ Yes ☐ No

G Do you elect, or did you previously elect, to currently deduct certain preproductive period expenses? (See Instructions.) ☐ Does not apply ☐ Yes ☐ No

If you choose to revoke a prior election for animals, see the Instructions.

Part I Farm Income—Cash Method—Complete Parts I and II (Accrual method taxpayers complete Parts II and III, and line 11 of Part I.)

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797.

1	Sales of livestock and other items you bought for resale	1			
2	Cost or other basis of livestock and other items you bought for resale	2			
3	Subtract line 2 from line 1			3	
4	Sales of livestock, produce, grains, and other products you raised			4	
5a	Total cooperative distributions (Form(s) 1099-PATR)	5a		5b Taxable amount	5b
6a	Agricultural program payments (see Instructions)	6a		6b Taxable amount	6b
7	Commodity Credit Corporation (CCC) loans:				
a	CCC loans reported under election (see Instructions)				7a
b	CCC loans forfeited or repaid with certificates	7b		7c Taxable amount	7c
8	Crop insurance proceeds and certain disaster payments (see Instructions):				
a	Amount received in 1989	8a		8b Taxable amount	8b
c	If election to defer to 1990 is attached, check here ▶ ☐			8d Amount deferred from 1988	8d
9	Custom hire (machine work) income				9
10	Other income, including Federal and state gasoline or fuel tax credit or refund (see Instructions)				10
11	Add amounts in the right column for lines 3 through 10. If accrual method taxpayer, enter the amount from page 2, line 51. This is your **gross income** ▶				11

Part II Farm Expenses—Cash and Accrual Method (Do not include personal or living expenses such as taxes, insurance, repairs, etc., on your home.)

12	Breeding fees	12		24	Labor hired (less jobs credit)	24	
13	Chemicals	13		25	Pension and profit-sharing plans	25	
14	Conservation expenses (you must attach **Form 8645**)	14		26	Rent or lease:		
				a	Machinery and equipment	26a	
15	Custom hire (machine work)	15		b	Other (land, animals, etc.)	26b	
16	Depreciation and section 179 deduction not claimed elsewhere (from **Form 4562**)	16		27	Repairs and maintenance	27	
				28	Seeds and plants purchased	28	
17	Employee benefit programs other than on line 25	17		29	Storage and warehousing	29	
				30	Supplies purchased	30	
18	Feed purchased	18		31	Taxes	31	
19	Fertilizers and lime	19		32	Utilities (see Instructions)	32	
20	Freight and trucking	20		33	Veterinary fees and medicine	33	
21	Gasoline, fuel, and oil	21		34	Other expenses (specify):		
22	Insurance (other than health)	22		a		34a	
23	Interest:			b		34b	
a	Mortgage (paid to banks, etc.)	23a		c		34c	
b	Other	23b		d		34d	
				e		34e	

35	Add amounts on lines 12 through 34e. These are your **total expenses** ▶	35	
36	**Net farm profit or (loss).** Subtract line 35 from line 11. If a profit, enter on Form 1040, line 19, and on Schedule SE, line 1. If a loss, you MUST go on to line 37. (Fiduciaries and partnerships, see Instructions.)	36	

37 If you have a loss, you MUST check the box that describes your investment in this activity (see Instructions).
If you checked 37a, enter the loss on Form 1040, line 19, and Schedule SE, line 1
If you checked 37b, you MUST attach **Form 6198.**

37a ☐ All investment is at risk.
37b ☐ Some investment is not at risk

Part III Farm Income—Accrual Method

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797 and do not include this livestock on line 46 below.

38	Sales of livestock, produce, grains, and other products during year			38
39a	Total cooperative distributions (Form(s) 1099-PATR)	39a	39b Taxable amount	39b
40a	Agricultural program payments (see Instructions)	40a	40b Taxable amount	40b
41	Commodity Credit Corporation (CCC) loans:			
a	CCC loans reported under election (see Instructions)			41a
b	CCC loans forfeited or repaid with certificates	41b	41c Taxable amount	41c
42	Crop insurance proceeds			42
43	Custom hire (machine work) income			43
44	Other income, including Federal and state gasoline or fuel tax credit or refund (see Instructions)			44
45	Add amounts in the right column for lines 38 through 44			45
46	Inventory of livestock, produce, grains, and other products at beginning of year	46		
47	Cost of livestock, produce, grains, and other products purchased during year	47		
48	Add lines 46 and 47	48		
49	Inventory of livestock, produce, grains, and other products at end of year	49		
50	Cost of livestock, produce, grains, and other products sold Subtract line 49 from line 48*			50
51	Subtract line 50 from line 45 Enter the result here and on page 1, line 11. This is your **gross income** ▶			51

*If you use the unit-livestock-price method or the farm-price method of valuing inventory and the amount on line 49 is larger than the amount on line 48, subtract line 48 from line 49. Enter the result on line 50. Add lines 45 and 50. Enter the total on line 51

Part IV Principal Agricultural Activity Codes

Select one of the following codes and write the 3-digit number on page 1, line B (**Note:** *If your principal source of income is from providing agricultural services such as soil preparation, veterinary, farm labor, horticultural, or management for a fee or on a contract basis, you should file* ***Schedule C*** *(Form 1040), Profit or Loss From Business.*)

120	**Field crop,** including grains and nongrains such as cotton, peanuts, feed corn, wheat, tobacco, Irish potatoes, etc.
160	**Vegetables and melons,** garden-type vegetables and melons, such as sweet corn, tomatoes, squash, etc.
170	**Fruit and tree nuts,** including grapes, berries, olives, etc.
180	**Ornamental floriculture and nursery products**
185	**Food crops grown under cover,** including hydroponic crops
211	**Beefcattle feedlots**
212	**Beefcattle,** except feedlots
215	**Hogs, sheep, and goats**
240	**Dairy**
250	**Poultry and eggs,** including chickens, ducks, pigeons, quail, etc
260	**General livestock,** not specializing in any one livestock category
270	**Animal specialty,** including fur-bearing animals, pets, horses, etc.
280	**Animal aquaculture,** including fish, shellfish, mollusks, frogs, etc., produced within confined space
290	**Forest products,** including forest nurseries and seed gathering, extraction of pine gum, and gathering of forest products
300	**Agricultural production,** not specified

Schedule R (Form 1040)

Department of the Treasury
Internal Revenue Service (x)

Credit for the Elderly or the Disabled

► For Paperwork Reduction Act Notice, see Form 1040 Instructions.
► Attach to Form 1040. ► See separate Instructions for Schedule R.

OMB No 1545-0074

1989

Attachment Sequence No 17

Name(s) shown on Form 1040

Your social security number

You may be able to use Schedule R to reduce your tax if by the end of 1989:

- You were 65 or older, **OR**
- You were under 65, you retired on **permanent and total** disability, and you received taxable disability income.

Even if one of the situations described above applies to you, you must meet other tests to be able to take the credit on Schedule R. See the separate Schedule R Instructions for details.

Note: *In most cases IRS can figure this credit for you. See page 16 of the Form 1040 Instructions.*

Part I Check the Box That Applies to Your Filing Status and Age (Check only one box)

If your filing status is:	And by the end of 1989:	Check box:
Single*	1 You were 65 or older	1 ☐
	2 You were under 65 and you retired on permanent and total disability	2 ☐
	* Includes Head of household and Qualifying widow(er) with dependent child	
Married filing a joint return	3 Both spouses were 65 or older	3 ☐
	4 Both spouses were under 65, but only one spouse retired on permanent and total disability	4 ☐
	5 Both spouses were under 65, and both retired on permanent and total disability	5 ☐
	6 One spouse was 65 or older, and the other spouse was under 65 and retired on permanent and total disability	6 ☐
	7 One spouse was 65 or older, and the other spouse was under 65 and **NOT** retired on permanent and total disability	7 ☐
Married filing a separate return	8 You were 65 or older, and you did not live with your spouse at any time in 1989	8 ☐
	9 You were under 65, you retired on permanent and total disability, and you did not live with your spouse at any time in 1989	9 ☐

Note: *If you checked the box on line 1, 3, 7, or 8, skip Part II and complete Part III on the back. All others, complete Parts II and III.*

Part II Statement of Permanent and Total Disability (Complete only if you checked the box on line 2, 4, 5, 6, or 9 above)

IF: 1 You filed a physician's statement for this disability for 1983 or an earlier year, or you filed a statement for tax years after 1983 and your physician checked Box B on the statement, **AND**

2 Due to your continued disabled condition you were unable to engage in any substantial gainful activity in 1989, check this box. ► ☐

If you checked this box, you do not have to file another statement for 1989. If you did not check this box, have your physician complete the following statement:

Physician's Statement

I certify that _____
Name of disabled person

was permanently and totally disabled on January 1, 1976, or January 1, 1977, **OR** was permanently and totally disabled on the date he or she retired. If retired after December 31, 1976, enter the date retired. ► _____

Physician: Sign your name on **either** line A or B below and check the box to the right of your signature.

A The disability has lasted, or can be expected to last, continuously for at least a year _____ A ☐
Physician's signature Date

B There is no reasonable probability that the disabled condition will ever improve _____ B ☐
Physician's signature Date

Physician's name

Physician's address

Instructions for Statement

Taxpayer

If you retired after December 31, 1976, enter the date you retired in the space provided.

Physician

A person is permanently and totally disabled when—

- He or she cannot engage in any substantial gainful activity because of a physical or mental condition; and
- A physician determines that the disability
  1. has lasted, or can be expected to last, continuously for at least a year; or
  2. can be expected to lead to death.

(Continued on back)

Part III Figure the Amount of Your Credit

10 Enter: $5,000 if you checked the box on line 1, 2, 4, or 7 in Part I, **OR**
$7,500 if you checked the box on line 3, 5, or 6 in Part I, **OR**
$3,750 if you checked the box on line 8 or 9 in Part I. 10

Caution: *If you checked the box on line 2, 4, 5, 6, or 9 in Part I, you **MUST** complete line 11 below. Otherwise, skip line 11 and enter the amount from line 10 on line 12.*

11 Enter on line 11 your taxable disability income (and also your spouse's if you checked the box on line 5 in Part I) that you reported on Form 1040. However, if you checked the box on line 6 in Part I, enter on line 11 the taxable disability income of the spouse who was under age 65 **PLUS** $5,000 (For more details on what to include, see the Instructions.) 11

12 If you completed line 11 above, compare the amounts on lines 10 and 11, and enter the **smaller** of the two amounts here. Otherwise, enter the amount from line 10 12

13 Enter the following pensions, annuities, or disability income that you (and your spouse if you file a joint return) received in **1989** (see Instructions):

a Nontaxable part of social security benefits; and
Nontaxable part of railroad retirement benefits treated as social security. 13a

b Nontaxable veterans' pensions; and
Any other pension, annuity, or disability benefit that is excluded from income under any other provision of law. 13b

c Add lines 13a and 13b. (Even though these income items are not taxable, they **must** be included to figure your credit.) If you did not receive any of the types of nontaxable income listed on line 13a or 13b, enter -0- on line 13c 13c

14 Enter the amount from Form 1040, line 32. 14

15 Enter: $7,500 if you checked the box on line 1 or 2 in Part I, **OR**
$10,000 if you checked the box on line 3, 4, 5, 6, or 7 in Part I, **OR**
$5,000 if you checked the box on line 8 or 9 in Part I. 15

16 Subtract line 15 from line 14. Enter the result. If line 15 is more than line 14, enter -0- 16

17 Divide the amount on line 16 by 2. Enter the result 17

18 Add lines 13c and 17. Enter the total 18

19 Subtract line 18 from line 12. Enter the result. If the result is zero or less, stop here; you **cannot** take the credit. Otherwise, go on to line 21 19

20 Decimal amount used to figure the credit . . . . . 20 × .15

21 Multiply the amount on line 19 by the decimal amount (.15) on line 20. Enter the result here and on Form 1040, line 42. **Caution:** *If you file Schedule C, D, E, or F (Form 1040), your credit may be limited. See the instructions for line 21 for the amount of credit you can claim* 21

SCHEDULE SE
(Form 1040)
Department of the Treasury
Internal Revenue Service (X)

Social Security Self-Employment Tax

▶ See Instructions for Schedule SE (Form 1040).
▶ Attach to Form 1040.

OMB No. 1545-0074
1989
Attachment Sequence No. 18

Name of person with **self-employment** income (as shown on social security card) | Social security number of person with **self-employment** income ▶

Who Must File Schedule SE

You must file Schedule SE if:

- Your net earnings from self-employment were $400 or more (or you had wages of $100 or more from an electing church or church-controlled organization); AND
- Your wages (subject to social security or railroad retirement tax) were less than $48,000.

Exception. If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner, AND you filed **Form 4361** and received IRS approval not to be taxed on those earnings, DO NOT file Schedule SE. Instead, write "Exempt–Form 4361" on Form 1040, line 48.

For more information about Schedule SE, see the Instructions.

Note: *Most people can use the short Schedule SE on this page. But, you may have to use the longer Schedule SE that is on the back.*

Who MUST Use the Long Schedule SE (Section B)

You must use Section B if ANY of the following applies:

- You choose the "optional method" to figure your self-employment tax (see Section B, Part II);
- You are a minister, member of a religious order, or Christian Science practitioner and you received IRS approval (from **Form 4361**) not to be taxed on your earnings from these sources, but you owe self-employment tax on other earnings;
- You were an employee of a church or church-controlled organization that chose by law not to pay employer social security taxes;
- You had tip income that is subject to social security tax, but you did not report those tips to your employer; OR
- You were a government employee with wages subject ONLY to the 1.45% Medicare part of the social security tax.

Section A—Short Schedule SE

(Read above to see if you must use the long Schedule SE on the back (Section B).)

1	Net farm profit or (loss) from Schedule F (Form 1040), line 36, and farm partnerships, Schedule K-1 (Form 1065), line 14a	1	
2	Net profit or (loss) from Schedule C (Form 1040), line 30, and Schedule K-1 (Form 1065), line 14a (other than farming). See the Instructions for other income to report	2	
3	Add lines 1 and 2. Enter the total. If the total is less than $400, **do not** file this schedule; you **do not** owe self-employment tax ▶	3	
4	The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement tax (tier 1) for 1989 is	4	$48,000 00
5	Total social security wages and tips (from Form(s) W-2) and railroad retirement compensation (tier 1)	5	
6	Subtract line 5 from line 4. Enter the result. If the result is zero or less, stop here; you **do not** owe self-employment tax ▶	6	
7	Enter the **smaller** of line 3 or line 6	7	
8	Rate of tax	8	×.1302
9	**Self-employment tax.** If line 7 is $48,000, enter $6,249.60. Otherwise, multiply the amount on line 7 by the decimal amount on line 8 and enter the result. Also enter this amount on Form 1040, line 48	9	

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule SE (Form 1040) 1989

Name of person with **self-employment** income (as shown on social security card) | Social security number of person with **self-employment** income ▶

Section B—Long Schedule SE

(Before completing, see if you can use the short Schedule SE on the other side (Section A).)

A If you are a minister, member of a religious order, or Christian Science practitioner, AND you filed **Form 4361**, but you had $400 or more of **other** earnings subject to self-employment tax, continue with Part I and check here . . . . . ▶ ☐

B If your only earnings subject to self-employment tax were wages from an electing church or church-controlled organization that is exempt from employer social security taxes and you are not a minister or a member of a religious order, skip lines 1–3b. Enter zero on line 3c and go to line 5a.

Part I Figure Social Security Self-Employment Tax

1	Net farm profit or (loss) from Schedule F (Form 1040), line 36, and farm partnerships, Schedule K-1 (Form 1065), line 14a	1	
2	Net profit or (loss) from Schedule C (Form 1040), line 30, and Schedule K-1 (Form 1065), line 14a (other than farming). See Instructions for other income to report. (Employees of an electing church or church-controlled organization **do not** enter your Form W-2 wages on this line. See the Instructions.)	2	
3a	Enter the amount from line 1 (**or,** if you elected the farm optional method, from line 11 below)	3a	
b	Enter the amount from line 2 (**or,** if you elected the nonfarm optional method, from line 13 below)	3b	
c	Add lines 3a and 3b. Enter the total. If the total is less than $400, **do not** file this schedule; you **do not** owe self-employment tax. (**Exception:** *If you were an employee of an electing church or church-controlled organization and the total of lines 3a and 3b is less than $400, enter zero and complete the rest of this schedule.*)	3c	
4	The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement tax (tier 1) for 1989 is	4	$48,000 00
5a	Total social security wages and tips (from Form(s) W-2) and railroad retirement compensation (tier 1). **Note:** *Government employees whose wages were subject only to the 1.45% Medicare tax and employees of certain church or church-controlled organizations should* **not** *include those wages on this line. See Instructions* — 5a		
b	Unreported tips subject to social security tax (from Form 4137, line 9) or to railroad retirement tax (tier 1) — 5b		
c	Add lines 5a and 5b. Enter the total	5c	
6a	Subtract line 5c from line 4. Enter the result. If the result is zero or less, enter zero and stop here; you **do not** owe self-employment tax ▶	6a	
b	Enter your Medicare qualified government wages. See the Instructions to see if you must use the worksheet in those instructions to figure your self-employment tax — 6b		
c	Enter your Form W-2 wages of $100 or more from an electing church or church-controlled organization — 6c		
d	Add lines 3c and 6c. Enter the total ▶	6d	
7	Enter the **smaller** of line 6a or line 6d	7	
8	Rate of tax	8	×.1302
9	**Self-employment tax.** If line 7 is $48,000, enter $6,249.60. Otherwise, multiply the amount on line 7 by the decimal amount on line 8 and enter the result. Also enter this amount on Form 1040, line 48	9	

Part II Optional Method To Figure Net Earnings (See "Who Can File Schedule SE" in the Instructions.)

See Instructions for limitations. Generally, you may use this part **only** if:

A Your **gross** farm income[1] was not more than $2,400; **or**

B Your **gross** farm income[1] was more than $2,400 and your **net** farm profits[2] were **less** than $1,600; **or**

C Your **net** nonfarm profits[3] were less than $1,600 and also **less** than two-thirds (⅔) of your **gross** nonfarm income.[4]

Note: *If line 2 above is two-thirds (⅔) or more of your gross nonfarm income[4], or if line 2 is $1,600 or more, you may* **not** *use the optional method.*

[1]From Schedule F (Form 1040), line 11, and Schedule K-1 (Form 1065), line 14b
[2]From Schedule F (Form 1040), line 36, and Schedule K-1 (Form 1065), line 14a
[3]From Schedule C (Form 1040), line 30, and Schedule K-1 (Form 1065), line 14a.
[4]From Schedule C (Form 1040), line 7, and Schedule K-1 (Form 1065), line 14c.

10	Maximum income for optional methods	10	$1,600 00
11	**Farm Optional Method**—If you meet test **A** or **B** above, enter the **smaller** of: two-thirds (⅔) of gross farm income from Schedule F (Form 1040), line 11, and farm partnerships, Schedule K-1 (Form 1065), line 14b; **or** $1,600. Also enter this amount on line 3a above	11	
12	Subtract line 11 from line 10. Enter the result	12	
13	**Nonfarm Optional Method**—If you meet test **C** above, enter the **smallest** of: two-thirds (⅔) of gross nonfarm income from Schedule C (Form 1040), line 7, and Schedule K-1 (Form 1065), line 14c; **or** $1,600; **or,** if you elected the farm optional method, the amount on line 12. Also enter this amount on line 3b above	13	

Form **2106**

Department of the Treasury
Internal Revenue Service (X)

Employee Business Expenses

► See separate Instructions.
► Attach to Form 1040.

OMB No. 1545-0139

1989

Attachment Sequence No **54**

Your name	Social security number	Occupation in which expenses were incurred
	: :	

Part I **Employee Business Expenses**

STEP 1 Enter Your Expenses		**Column A** Other Than Meals and Entertainment	**Column B** Meals and Entertainment
1 Vehicle expense from line 28 or line 34	1		
2 Parking fees, tolls, and local transportation, including train, bus, etc.	2		
3 Travel expense while away from home overnight, including lodging, airplane, car rental, etc. **Do not** include meals and entertainment	3		
4 Business expenses not included on lines 1 through 3. **Do not** include meals and entertainment	4		
5 Meals and entertainment expenses. (See the separate Instructions.)	5		
6 Add lines 1 through 5 and enter the **total expenses** here	6		

Note: ***If you were not reimbursed for any expenses in Step 1, skip lines 7–9 and enter the amount from line 6 on line 10.***

STEP 2 Enter Amounts Your Employer Gave You For Expenses Listed In STEP 1
(See the separate Instructions for lines 7 and 8.)

7 Enter amounts your employer gave you that were **not** reported to you on Form W-2 (See Instructions.)	7		
8 Enter the amount your employer gave you for expenses listed in Step 1 that were **separately identified** on Form W-2 as employee business expenses. (Do **not** include any amounts that were reported to you as wages in Box 10 of Form W-2.) (See Instructions.)	8		
9 Add the amounts on lines 7 and 8. Enter the total here	9		

STEP 3 Figure Expenses To Deduct on Schedule A (Form 1040)

10 Subtract line 9 from line 6	10		
Note: *If* ***both columns*** *of line 10 are zero,* ***stop here.*** *If Column A is less than zero, report the amount as income. See the separate Instructions for how to report.*			
11 Enter 20% (.20) of line 10, Column B	11		
12 Subtract line 11 from line 10	12		
13 Add the amounts on line 12 of both columns and enter the total here. **Also enter the total on Schedule A (Form 1040), line 20.** (Qualified performing artists and handicapped employees, see the separate Instructions for special rules on where to enter the total.) ►	13		

For Paperwork Reduction Act Notice, see Instructions. Form **2106** (1989)

Form **2119**

Department of the Treasury
Internal Revenue Service (x)

Sale of Your Home

► See Separate Instructions.

► Attach to Form 1040 for year of sale.

OMB No. 1545-0072

1989

Attachment Sequence No 22

Please Type or Print	Your first name and initial (If joint, also give spouse's name and initial.) Last name	Your social security number
	Present home address (no., street, and apt. no., or rural route) (or P.O. box no. if mail is not delivered to street address)	Spouse's social security number
	City, town or post office, state, and ZIP code	

Part I Facts About You and Your Home

		Yes	No
1a	Date former main home was sold ►		
b	Enter the face amount of any mortgage, note (for example, second trust), or other financial instrument on which you will receive periodic payments of principal or interest from this sale. (See Instructions for line 1b.) ► $		
2a	Have you bought or built a new main home?		
b	Are any rooms in either main home rented out or used for business for which a deduction is allowed? (If "Yes," see Instructions.)		
3a	Were you 55 or older on date of sale?		
b	Was your spouse 55 or older on date of sale? **If you answered "No" to 3a and 3b, do not complete 3c through 3f or Part III.**		
c	Did the person who answered "Yes" to 3a or 3b own and use the property sold as a main home for a total of at least 3 years (except for short absences) of the 5-year period before the sale?		
d	**If you answered "Yes" to 3c, do you choose to take the one-time exclusion of the gain on the sale?**		
e	At time of sale, who owned the home? ☐ you ☐ your spouse ☐ both of you		
f	Social security number of spouse, at time of sale, if different from above ► (Enter "None" if you were not married at time of sale.)		

Part II Figure Your Gain (Do not include amounts that you deduct as moving expenses.)

4	Selling price of home. (Do not include personal property items.)	4	
5	Expense of sale. (Include sales commissions, advertising, legal, etc.)	5	
6	Subtract line 5 from line 4. This is the amount realized	6	
7	Basis of home sold. (See Instructions.)	7	
8a	Subtract line 7 from line 6 (gain on sale). If zero or less, enter zero and do not complete the rest of the form. Enter the gain from this line on Schedule D, line 3 or 10,* unless you bought another main home or checked "Yes" to 3d. Then continue with this form	8a	
b	If you haven't replaced your home, do you plan to do so within the replacement period? (If "Yes," see Instructions under When and Where To File.) ☐ Yes ☐ No		

Part III If Age 55 or Older, Figure Your One-Time Exclusion *(Complete this part only if you checked "Yes" to 3d.)*

9	Enter the **smaller** of line 8a or $125,000 ($62,500, if married filing separate return) (See Instructions.)	9	
10	Subtract line 9 from line 8a (gain). If zero, do not complete rest of form. Enter the gain from this line on Schedule D, line 10,* unless you bought another main home. Then continue with this form	10	

Part IV Figure Gain To Be Postponed and Adjusted Basis of New Home *(Complete this part if you bought another main home.)*

11	Fixing-up expenses. (See Instructions for time limits.)	11	
12	Subtract line 11 from line 6 (adjusted sales price)	12	
13a	Cost of new home	13a	
b	Enter the date you moved into your new main home ►		
14	Subtract line 13a plus line 9 (if applicable) from line 12. If result is zero or less, enter zero. Do not enter more than line 8a or line 10 (if applicable). This is the gain taxable this year. Enter the gain from this line on Schedule D, line 3 or 10*.	14	
15	Subtract line 14 from line 8a. **However**, if you completed Part III, subtract line 14 from line 10. (This is the gain to be postponed.)	15	
16	Subtract line 15 from line 13 (adjusted basis of new main home)	16	

***Caution:** If you completed Form 6252 for the home in 1a, do not enter your taxable gain from Form 2119 on Schedule D.

Please Sign Here	Under penalties of perjury, I declare that I have examined this form, including attachments, and to the best of my knowledge and belief, it is true, correct, and complete.			
	Your signature	Date	Spouse's Signature	Date
	► (If joint return, both must sign.) (Sign and date only if not attached to your tax return.)		►	

For Paperwork Reduction Act Notice, see separate Instructions.

Form **2119** (1989)

Form **2441**

Department of the Treasury
Internal Revenue Service (x)

Child and Dependent Care Expenses

▶ **Attach to Form 1040.**
▶ **See separate Instructions.**

OMB No 1545-0068

1989

Attachment Sequence No **23**

Name(s) shown on Form 1040

Your social security number

- If you are claiming the child and dependent care credit, complete Parts I and II below. But if you received employer-provided dependent care benefits, first complete Part III on the back.
- If you are not claiming the credit but you received employer-provided dependent care benefits, only complete Part I, below, and Part III on the back.

Part I **Persons or Organizations Who Provided the Care—You must complete this part.** (See the Instructions. If you need more space, attach a statement.)

1 (a) Name	(b) Address (number, street, city, state, and ZIP code)	(c) Identification number (SSN or EIN)	(d) Amount paid (see Instructions)

2 Add the amounts in column (d) of line 1 and enter the total 2

Note: *If you paid cash wages of $50 or more in a calendar quarter to an individual for services performed in your home, you must file an employment tax return. Get* ***Form 942*** *for details.*

Part II **Credit for Child and Dependent Care Expenses**

3 Enter the number of qualifying persons who were cared for in 1989. (See the Instructions for the definition of qualifying persons.) ***Caution:*** *To qualify, the person(s)* ***must*** *have shared the same home with you in 1989* . . ▶ 3

4 Enter the amount of **qualified** expenses you incurred and actually paid in 1989. Also see the Instructions if you received employer-provided dependent care benefits. See **What Are Qualified Expenses?** in the Instructions. **Do not enter more than** $2,400 ($4,800 if you paid for the care of two or more qualifying persons) 4

5 Enter the **excluded benefits,** if any, from line 21 on page 2 5

6 Subtract line 5 from line 4 and enter the result. If the result is zero or less, stop here; you **cannot** claim the credit 6

7 You **must** enter your **earned income.** (See the Instructions for the definition of earned income.) . . 7

8 If you are married filing a joint return, you **must** enter your spouse's earned income. (If your spouse was a full-time student or disabled, see the Instructions for the amount to enter.) 8

9 If you are married filing a joint return, compare the amounts on lines 7 and 8. Enter the **smaller** of the two amounts here 9

10 • If you are married filing a joint return, compare the amounts on lines 6 and 9. Enter the **smaller** of the two amounts here.
• All others, compare the amounts on lines 6 and 7. Enter the **smaller** of the two amounts here. 10

11 Enter the decimal amount from the table below that applies to the adjusted gross income on Form 1040, line 32 . . . . . 11 ×

If line 32 is: Over—	But not over—	Decimal amount is:	If line 32 is: Over—	But not over—	Decimal amount is:
$0	10,000	.30	$20,000	22,000	.24
10,000	12,000	.29	22,000	24,000	.23
12,000	14,000	.28	24,000	26,000	.22
14,000	16,000	.27	26,000	28,000	.21
16,000	18,000	.26	28,000		.20
18,000	20,000	.25			

12 Multiply the amount on line 10 by the decimal amount on line 11, and enter the result 12

13 Multiply any child and dependent care expenses for 1988 that you paid in 1989 by the percentage that applies to the adjusted gross income on your 1988 Form 1040, line 32, or Form 1040A, line 14. Enter the result. (You must complete Part I and attach a statement. See the Instructions.) 13

14 Add the amounts on lines 12 and 13. See the Instructions for the amount of credit you can claim . . 14

For Paperwork Reduction Act Notice, see separate Instructions. Form **2441** (1989)

Form **2555**

Department of the Treasury
Internal Revenue Service

Foreign Earned Income

▶ See separate instructions. ▶ Attach to front of Form 1040.

OMB No. 1545-0067

1989

Attachment Sequence No. 34

For Use by United States Citizens and Resident Aliens Only

Your name | Your social security number

Foreign address (including country) | Your occupation

Name of employer ▶

Employer's address: U.S. ▶ / Foreign ▶

Employer is (check any that apply) ▶ ☐ A foreign entity ☐ A U.S. company ☐ A foreign affiliate of a U.S. company ☐ Self ☐ Other (specify) ▶

Enter earlier years (after 1981) that you filed Form 2555 to claim either of the exclusions ▶

If you chose to claim an exclusion in an earlier year (after 1981), have you revoked your choice? ☐ Yes ☐ No
If "Yes," give the type of exclusion and the tax year for which the revocation was effective ▶

Test under which you qualify to claim the exclusion(s) and/or deduction ▶ ☐ Bona fide residence test (Part I) ☐ Physical presence test (Part II)

Are you a U.S. citizen? ☐ Yes ☐ No

Did you maintain a separate foreign residence for your family because of adverse living conditions at your tax home? ☐ Yes ☐ No

If "Yes," give city and country of the separate foreign residence. Also show the number of days during your tax year that you maintained a second household at that address

List your tax home(s) during your tax year and date(s) established

Complete either Part I or Part II. If an item does not apply, write "NA." If you do not provide the information asked for, any exclusion or deduction you claim may be disallowed.

Part I Taxpayers Qualifying Under Bona Fide Residence Test. (See Instructions.)

1 Date bona fide residence began _____, ended _____

2 Kind of living quarters in foreign country ▶ ☐ Purchased house ☐ Rented house or apartment ☐ Rented room ☐ Quarters furnished by employer

3 Did any of your family live with you abroad during any part of the tax year? ☐ Yes ☐ No
If "Yes," who and for what period? ▶

4a Have you submitted a statement to the authorities of the foreign country where you claim bona fide residence that you are not a resident of that country? (See Instructions.) ☐ Yes ☐ No

b Are you required to pay income tax to the country where you claim bona fide residence? (See Instructions.) ☐ Yes ☐ No

If "Yes" to 4a and "No" to 4b, you do not qualify as a bona fide resident. Do not complete the rest of Part I.

5 Complete the following for days present in the United States or its possessions during the tax year. (Do not include this income in Part III, but report it on Form 1040.)

Date arrived in U.S.	Date left U.S.	Number of days in U.S. on business	Income earned in U.S. on business (attach computation)	Date arrived in U.S.	Date left U.S.	Number of days in U.S. on business	Income earned in U.S. on business (attach computation)

6a State any contractual terms or other conditions relating to the length of your employment abroad

b State the type of visa under which you entered the foreign country

c Did your visa limit the length of your stay or employment in a foreign country? ☐ Yes ☐ No
If "Yes," attach explanation.

d Did you maintain a home in the United States while living abroad? ☐ Yes ☐ No
If "Yes," show address of your home, whether it was rented, and the names and relationships of the occupants

Part II Taxpayers Qualifying Under Physical Presence Test. (See Instructions.)

7 The physical presence test is based on the 12-month period from _____ through _____

8 Enter your principal country of employment during your tax year ▶ _____

9 Enter all travel abroad during the 12-month period shown on line 7, except travel between foreign countries that did not involve travel on, or over, international waters, or in, or over, the United States, for 24 hours or more. If the last entry is an arrival in a foreign country, enter the number of full days to the end of the 12-month period. If you have no travel to report during the period, write in the schedule below that you were physically present in a foreign country or countries during the entire 12-month period. (Do not include in Part III the income that you list here, but report it on Form 1040.)

Name of country (including U.S.)	Date arrived	Date left	Full days present in country	Number of days in U.S. on business	Income earned in U.S. on business (attach computation)

Part III All Taxpayers

Note: *On lines 10 through 14 enter all income, including noncash income, that you earned and actually or constructively received during your 1989 tax year for services you performed in a foreign country. If any of the foreign earned income received this tax year was earned in a prior tax year, or will be earned in a later tax year (such as a bonus), see the Instructions. Do not include income from Part I, line 5, or Part II, line 9. Report amounts in U.S. dollars, using the exchange rates in effect when you actually or constructively received the income.*

If you are a cash basis taxpayer, report on Form 1040 all income you received during 1989, no matter when you performed the service.

1989 Foreign Earned Income		Amount (In U.S. dollars)
10 Total wages, salaries, bonuses, commissions, etc.	10	
11 Allowable share of income for personal services performed (see Instructions for Part III, line 11):		
a In a business (including farming) or profession	11a	
b In a partnership (give name, address, and nature of income) _____	11b	
12 Noncash income (market value of property or facilities furnished by employer—attach statement showing how determined):		
a Home (lodging)	12a	
b Meals	12b	
c Car	12c	
d Other property or facilities (specify) _____	12d	
13 Allowances, reimbursements, or expenses paid on your behalf for services you performed:		
a Cost of living and overseas differential 13a		
b Family 13b		
c Education 13c		
d Home leave 13d		
e Quarters 13e		
f For any other purpose (specify) _____ 13f		
g Add the amounts on lines 13a through 13f and enter the total	13g	
14 Other foreign earned income (specify) _____	14	
15 Add the amounts on lines 10 through 12d, line 13g, and line 14 and enter the total	15	
16 Total amount of meals and lodging included on line 15 that is excludable. (See Instructions.)	16	
17 Subtract line 16 from line 15 and enter the result. This is your foreign earned income ▶	17	

Complete Part IV next if you choose to claim the housing exclusion or are claiming the housing deduction. Otherwise, skip to Part V.

Part IV For Taxpayers Claiming Housing Exclusion AND/OR Deduction

18 Qualified housing expenses for the tax year. (See Instructions.)		18	
19 Number of days in your qualifying period that fall within your 1989 tax year. (See Instructions.)	19		
20 Multiply $21.30 by the number of days on line 19. Enter the result, but do not enter more than $7,775.00		20	
21 Subtract the amount on line 20 from the amount on line 18. (If zero or less, do not complete the rest of Part IV or any of Part VII.)		21	
22 Enter employer-provided amounts. (See Instructions.)	22		
23 Enter the amount from line 17	23		
24 Divide the amount on line 22 by the amount on line 23 and enter the result as a decimal (to two places). (Limited to 1.00.)		24	× .
25 **Housing exclusion.** Multiply the amount on line 21 by the decimal amount on line 24, but do not enter more than the amount on line 22. Also enter this amount on line 35, Part VI ▶		25	

Note: *If the amount on line 21 is **more than** the amount on line 25, complete line 26. Otherwise, skip to Part V if you choose to claim the foreign earned income exclusion.*

26 Subtract the amount on line 25 from the amount on line 21. Enter the result here and on line 40, Part VII. (Complete Part V before Part VII if you choose to claim the foreign earned income exclusion.) ▶	26	

Part V For Taxpayers Claiming Foreign Earned Income Exclusion

27 Maximum foreign earned income exclusion		27	$70,000 00
28 Number of days in your qualifying period that fall within your 1989 tax year. (See Instructions for line 19.)	28		
29 Divide the number of days on line 28 by the number of days in your 1989 tax year (usually 365) and enter the result as a decimal (to two places)		29	× .
30 Multiply the amount on line 27 by the decimal amount on line 29		30	
31 Enter the amount from line 17	31		
32 Enter the amount from line 25	32		
33 Subtract the amount on line 32 from the amount on line 31. Enter the result		33	
34 **Foreign earned income exclusion.** Enter here and on line 36, Part VI, the amount from line 30 or line 33, whichever is less ▶		34	

Part VI For Taxpayers Claiming Housing Exclusion, Foreign Earned Income Exclusion, or Both

35 Housing exclusion from line 25	35		
36 Foreign earned income exclusion from line 34	36		
37 Add the amounts on lines 35 and 36 and enter the total		37	
38 Deductions allowed in figuring your adjusted gross income (Form 1040, line 31) that are allocable to the excluded income. (See Instructions and attach computation.)		38	
39 Subtract line 38 from line 37. Enter the result here and in parentheses on Form 1040, line 22. Next to the amount write "Exclusion(s) from Form 2555." On Form 1040 subtract the amount from your income to arrive at total income on Form 1040, line 23 ▶		39	

Part VII For Taxpayers Claiming Housing Deduction

Note: *Complete this part only if: (1) you entered an amount on line 26, and (2) the amount on line 17 is more than the amount on line 37.*

40 Enter the amount from line 26		40	
41 Enter the amount from line 17	41		
42 Enter the amount from line 37	42		
43 Subtract the amount on line 42 from the amount on line 41 and enter the result		43	
44 Enter the amount from line 40 or line 43, whichever is less		44	

Note: *If the amount on line 43 is **more than** the amount on line 44 and you could not deduct all of your 1988 housing deduction because of the 1988 limitation, complete the worksheet on page 4 of the Instructions to figure how much of your 1988 housing deduction may be carried over to 1989. Otherwise, enter a zero (–0–) on line 45.*

45 Housing deduction carryover from 1988 (from worksheet on page 4 of the Instructions)	45	
46 Add the amounts on lines 44 and 45. Enter here and on Form 1040 to the left of line 30. Next to the amount on Form 1040 write "Deduction from Form 2555." Add it to the total adjustments reported on that line ▶	46	

★U.S.GPO:1989-0-245-295

Form **3468**

Department of the Treasury
Internal Revenue Service (X)

Computation of Investment Credit

▶ Attach to your return.
▶ See separate Instructions.

OMB No. 1545-0155

1989

Attachment Sequence No 52

Name(s) as shown on return | Identifying number

Part I Current Year Investment Credit

A Check here if you are electing under section 46(d) to increase your qualified investment by qualified progress expenditures (QPE). **Note:** *This election applies to the current tax year and to all subsequent tax years. This election may not be revoked unless you obtain IRS consent.* (See Instructions for more information.) ☐

Enter total qualified progress expenditures included in Schedule A on page 2 $

B Check here if you are claiming credit under section 46(g)(3) for "qualified withdrawals" with respect to "certain vessels" (see Instructions) ☐

1	Regular credit—Enter amount from Schedule A, line 4	1	
2	Qualified rehabilitation expenditures for transitional rehabilitation property and certain rehabilitation projects.—Enter qualified investment and multiply by percentage shown:		
a	30-year-old buildings _____ × 10%	2a	
b	40-year-old buildings _____ × 13%	2b	
c	Certified historic structures (attach NPS certificate) _____ × 25%	2c	
	Enter NPS number assigned or the flow-through entity identifying number (see Instructions) _____		
3	Qualified rehabilitation expenditures not includible in line 2 above:		
a	Pre-1936 buildings _____ × 10%	3a	
b	Certified historic structures (attach NPS certificate) _____ × 20%	3b	
	Enter NPS number assigned or the flow-through entity identifying number (see Instructions) _____		
4	Credit from cooperatives—Enter regular investment credit from cooperatives	4	
5	Business energy investment credit—Enter amount from Schedule B, line 6	5	
6	Current year investment credit—Add lines 1 through 5	6	

See Instructions for filing requirements of Form 3800.

Part II Current Year Investment Credit Tax Liability Limitation

7a	Individuals—Enter amount from Form 1040, line 40			
b	Corporations—Enter amount from Form 1120, Schedule J, line 3 (or Form 1120-A, Part I, line 1)			7
c	Other filers—Enter regular tax before credits from your return			
8	Credits that reduce regular tax before the investment credit:			
a	Credit for child and dependent care expenses (Form 2441)	8a		
b	Credit for the elderly or the disabled (Schedule R, Form 1040)	8b		
c	Foreign tax credit (Form 1116 or Form 1118)	8c		
d	Possessions tax credit (Form 5735)	8d		
e	Mortgage interest credit (Form 8396)	8e		
f	Credit for fuel from a nonconventional source	8f		
g	Orphan drug credit (Form 6765)	8g		
h	Total credits that reduce regular tax before the investment credit. Add lines 8a through 8g			8h
9	Net regular tax—Subtract line 8h from line 7			9
10	Tentative minimum tax:			
a	Individuals—Enter amount from Form 6251, line 17			
b	Corporations—Enter amount from Form 4626, line 13			10
c	Estates and Trusts—Enter amount from Form 8656, Part III, line 10			
11	Net income tax:			
a	Individuals—Add line 9 above and line 19 of Form 6251. Enter the total			
b	Corporations—Add line 9 above and line 16 of Form 4626. Enter the total			11
c	Other filers—See Instructions			
12	If line 9 is more than $25,000, enter 25% of the excess (see Instructions)			12
13	Subtract line 10 or line 12, whichever is greater, from line 11. Enter the result. If less than zero, enter zero			13
14	Total allowed credit—Enter the smaller of line 6 or line 13. This is your **General Business Credit** for 1989. Enter here and on Form 1040, line 44; Form 1120, Schedule J, line 4e; Form 1120-A, Part I, line 2a; or on the corresponding line of other income tax returns			14

Schedule A—Current Year Regular Investment Credit

1 Enter on lines 1a through 1j your qualified investment in transition property and QPE property (see Instructions).

Type of Property	Line	(1) Class of Recovery Property or Useful Life of Nonrecovery Property	(2) Basis or Cost	(3) Applicable Percentage	(4) Qualified Investment (column 2 x column 3)
New Recovery	a	3-year		60	
	b	Other		100	
Used Recovery	c	3-year		60	
	d	Other		100	
New Nonrecovery	e	3 or more/less than 5		33⅓	
	f	5 or more/less than 7		66⅔	
	g	7 or more		100	
Used Nonrecovery	h	3 or more/less than 5		33⅓	
	i	5 or more/less than 7		66⅔	
	j	7 or more		100	

2 Transition property and QPE property—Enter qualified investment (from lines 1a through 1j, column (4)) and multiply by percentage shown . . . _____ × 6.5% 2

3 Qualified timber property—Enter qualified investment (see Instructions for limitations) and multiply by percentage shown . . . _____ × 10% 3

4 Current year regular investment credit. Add lines 2 and 3. Enter here and on line 1 of page 1 . . . 4

Schedule B—Business Energy Investment Credit

1 Enter on lines 1a through 1e your qualified investment in business energy property.

Type of Property	Line	(1) Class of Property or Life Years	(2) Code	(3) Basis	(4) Applicable Percentage	(5) Qualified Investment (column 3 x column 4)
Recovery	a	3-year			60	
	b	Other			100	
Nonrecovery	c	3 or more/less than 5			33⅓	
	d	5 or more/less than 7			66⅔	
	e	7 or more			100	

2 Total qualified investment—Add lines 1a through 1e, column (5) . . . 2

3 Enter in column (1) the portion of the line 2 amount attributable to the following types of property:

	Line	(1) Qualified Investment	(2) Credit Percentage	(3) Investment Credit (column 1 x column 2)
a Solar energy property . . .	a		10	
b Geothermal property . . .	b		10	
c Ocean thermal property . . .	c		15	

d Current year credit for investment in business energy property. Add lines 3a through 3c, column (3) 3d

4 Certain other property. (See Instructions.) Enter qualified investment and multiply by percentage shown.

a Certain long-term section 46(b)(2)(C) projects under way before 1983 . . . _____ × 6.5% 4a

b Hydroelectric generating property placed in service before 1989 (if an application has been docketed with the Federal Energy Regulatory Commission by 12-31-85) . . . _____ × 7.15% 4b

5 Cooperative credit—Enter business energy investment credit from cooperatives . . . 5

6 Tentative business energy investment credit—Add lines 3d through 5. Enter here and on line 5 of page 1 . . . 6

Form **3800**
Department of the Treasury
Internal Revenue Service

General Business Credit

► Attach to your tax return.
► See separate Instructions.

OMB No. 1545-0895
1989
Attachment Sequence No 24

Name(s) as shown on return | Identifying number

Part I Tentative Credit

1	Current year investment credit (Form 3468, Part I, line 6)	1	
2	Current year jobs credit (Form 5884, line 4)	2	
3	Current year credit for alcohol used as fuel (Form 6478, line 11)	3	
4	Current year credit for increasing research activities (Form 6765, line 25)	4	
5	Current year low-income housing credit (Form 8586, line 6)	5	
6	**Current year general business credit**—Add lines 1 through 5	6	
7	Passive activity credits included on lines 1 through 5 (see Instructions)	7	
8	Subtract line 7 from line 6	8	
9	Passive activity credits allowed in 1989 (see Instructions)	9	
10	Carryforward of general business credit, WIN credit or ESOP credit to 1989 (see Instructions)	10	
11	Carryback of general business credit to 1989	11	
12	Tentative general business credit—Add lines 8 through 11	12	

Part II General Business Credit Limitation Based on Amount of Tax

13a	Individuals—Enter amount from Form 1040, line 40		
b	Corporations—Enter amount from Form 1120, Schedule J, line 3 (or Form 1120-A, Part I, line 1).	13	
c	Other filers—Enter regular tax before credits from your return		
14	Credits that reduce regular tax before the general business credit—		
a	Credit for child and dependent care expense (Form 2441) 14a		
b	Credit for the elderly or the disabled (Schedule R, Form 1040) 14b		
c	Foreign tax credit (Form 1116 or Form 1118) 14c		
d	Possessions tax credit (Form 5735) 14d		
e	Mortgage interest credit (Form 8396) 14e		
f	Credit for fuel from a nonconventional source 14f		
g	Orphan drug credit (Form 6765) 14g		
h	Total credits that reduce regular tax before the general business credit. Add lines 14a through 14g and enter here	14h	
15	Net regular tax—Subtract line 14h from line 13	15	
16	Tentative minimum tax:		
a	Individuals—Enter amount from Form 6251, line 17		
b	Corporations—Enter amount from Form 4626, line 13	16	
c	Estates and Trusts—Enter amount from Form 8656, Part III, line 10		
17	Net income tax:		
a	Individuals—Add line 15 above and line 19 of Form 6251. Enter the total		
b	Corporations—Add line 15 above and line 13 of Form 4626 less line 15 of Form 4626. Enter the total	17	
c	Other filers—See instructions		
18	If line 15 is more than $25,000, enter 25% of the excess	18	
19	Subtract line 16 or line 18, whichever is greater, from line 17. Enter the result. If less than zero, enter zero	19	
20	**General business credit**—Enter the smaller of line 12 or line 19. Also enter this amount on Form 1040, line 44; Form 1120, Schedule J, line 4e; Form 1120-A, Part I, line 2a; or on the appropriate line of your return. (Individuals, estates, and trusts see instructions if the credit for increasing research activities is claimed. C corporations see instructions if the investment credit is claimed or if you have undergone a post-1986 "ownership change.")	20	

For Paperwork Reduction Act Notice, see page 1 of the separate Instructions to this form. Form **3800** (1989)

Schedule A **Computation of Additional General Business Credit Allowed By Section 38(c)(2)—Only Applicable to C Corporations**

1	Enter the portion of the credit shown on line 12, page 1, that is attributable to the regular investment credit under section 46		1	
2	Enter the amount from line 13, Form 4626	2		
3	Multiply the amount on line 2 by 25% (.25)		3	
4	Enter the amount from line 19, page 1	4		
5	Enter the portion of the credit shown on line 12, page 1, that is NOT attributable to the regular investment credit under section 46	5		
6	Subtract line 5 from line 4 (if less than zero, enter zero)		6	
7	Subtract line 6 from line 1 (if less than zero, enter zero)		7	
8	For purposes of this line only, recompute the amount on line 11, Form 4626, by using zero on line 7, Form 4626, and enter the result here	8		
9	Multiply the amount on line 8 by 10% (.10)		9	
10	Enter the amount from line 15, page 1	10		
11	Subtract line 15, Form 4626 from line 13, Form 4626 and enter the result here	11		
12	Add lines 10 and 11		12	
13	Enter the amount from line 20, page 1		13	
14	Subtract line 13 from line 12		14	
15	Subtract line 9 from line 14		15	
16	Enter the smallest of line 3, line 7, or line 15		16	
17	Subtract line 16 from line 2		17	
18	Enter the greater of line 17, above, or line 18, page 1		18	
19	Subtract line 18, above, from line 17, page 1. DO NOT enter more than the amount on line 12, page 1		19	
20	Enter the lesser of line 19, above, or line 15, page 1. Enter this amount also on line 20, page 1, instead of the amount previously computed on that line. Write "Sec. 38(c)(2)" in the margin next to your entry on line 20, page 1		20	
21	If line 19, above, is greater than line 20, above, enter the excess here and on line 14, Form 4626		21	

Form **4136**
Department of the Treasury
Internal Revenue Service (X)

Computation of Credit for Federal Tax on Fuels

(And Credit for Purchase of Diesel-Powered Highway Vehicles)
► Attach this form to your income tax return.

OMB No 1545-0162
1989
Attachment Sequence No 25

Name (as shown on your income tax return) | Social security or employer identification number

Type of Use	(a) Number of gallons used	(b) Rate of tax	(c) Multiply column (a) by column (b) (except line 1)
1 Diesel-powered highway vehicles purchased this year (See instructions.)			$
2 Nonhighway:			
a Farm (for farming purposes):			
(i) Gasoline, gasoline/alcohol mixture (gasohol)		.03/.0333/.09*	
(ii) Diesel fuel, diesel/alcohol mixture		.09/.10/.15*	$
(iii) Special motor fuels, special fuels/alcohol mixture		.03/.045/.09*	
b Commercial fishing vessels (See instructions.):			
(i) Gasoline, gasoline/alcohol mixture (gasohol)		.03/.0333/.09*	
(ii) Diesel fuel, diesel/alcohol mixture		.09/.10/.15*	$
(iii) Special motor fuels, special fuels/alcohol mixture		.03/.045/.09*	
c Off-highway business use (specify)			
(i) Gasoline, gasoline/alcohol mixture (gasohol)		.03/.0333/.09*	
(ii) Diesel fuel, diesel/alcohol mixture		.09/.10/.15*	$
(iii) Special motor fuels, special fuels/alcohol mixture		.03/.045/.09*	
3a Intercity, local, and school buses (See instructions.)		.03/.0333/.09/.12/.15*	
b Qualified local buses (See instructions.)		.15	$
4 Gasoline and diesel fuel used for certain nontaxable purposes		.03/.09/.10/.15*	$
5 Gasoline/alcohol mixture (gasohol)		.0566	$
6a Qualified methanol and ethanol		.06	
b Diesel/alcohol mixture		.05	$
c Special motor fuels/alcohol mixture		.0566	
7 Leaking underground storage tank (LUST) taxes (See instructions.)		.001/.0011/.0005*	$
8 Farm aviation (for farming purposes)		.03/.09/.12/.14*	$
9 Other aviation (See instructions.)		.03/.09/.12/.14*	$
10 Total income tax credit claimed (add lines 1 through 9). Enter here and on Form 1040, line 61; Form 1120, line 32g; Form 1120-A, line 28g; Form 1120S, line 23b; Form 1041, line 24g; or the proper line of other returns			$

* *Use rate paid or allowable rate if less.*

General Instructions

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping . . . . . 7hrs., 25 min.

Learning about the law or the form . . . . . 6 min.

Preparing and sending the form to IRS . . . . . 13 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to either IRS or the Office of Management and Budget at the addresses listed in the instructions of the tax return with which this form is filed.

Purpose of Form.—Form 4136 is used by individuals, estates, trusts, or corporations to claim credit for Federal excise tax paid on fuels used for certain nontaxable or reduced rate purposes, and to claim the credit for diesel-powered highway vehicles.

(Partnerships cannot file this form; instead, they must attach a statement to **Form 1065,** U.S. Partnership Return of Income, showing how many gallons of the fuels are allocated to each partner, the types of use, and the applicable tax rates.)

Which Fuels Qualify for the Credit.—Fuels eligible for the credit include gasoline (which includes gasoline blend stocks and additives), gasohol, diesel fuel, aviation fuel including kerosene, avgas, methanol, ethanol, benzol, naphtha, liquefied petroleum gas, casinghead and natural gasoline, and other taxable liquids. These fuels qualify for the credit (1) if they are used for the various purposes described in the line-by-line instructions, (2) if the purchase price of the fuels includes the tax, and (3) if you have not requested a refund of the tax. Fuels that are lost through spillage, accident, or shrinkage do not qualify for credit or refund.

Claiming a Refund Instead of a Credit.—Rather than waiting until you file your income tax return to claim credit for the tax paid, you may be able to file a quarterly claim for the first three quarters of the year on **Form 843,** Claim. See **Pub. 378,** Fuel Tax Credits and Refunds, for more information on quarterly refund claims.

Including Credit in Income.—The amount of the credit, except the amount on line 1, must be included in your gross income if you claimed the taxes paid as an expense deduction that reduced your income tax liability. See the instructions for *Line 1, Diesel-Powered Vehicles,* for information on basis reduction. Also, see Pub. 378 for more information.

Additional Information on Fuel Credits.—**Pub. 225,** Farmer's Tax Guide; **Pub. 595,** Tax Guide for Commercial Fishermen; **Pub. 378,** Fuel Tax Credits and Refunds; and **Pub. 510,** Excise Taxes for 1990; all contain additional information on the fuel tax credit. They are available from many IRS offices and the IRS forms distribution center for your area.

Line-by-Line Instructions

Line 1—Diesel-Powered Vehicles.—If you bought a diesel-powered highway vehicle during the year for a use other than resale and you are the first purchaser, you may claim a one-time credit of $102 for an automobile and $198 for a light truck or van. The vehicle must be a diesel-powered highway vehicle that has at least four wheels, has a gross vehicle weight rating of 10,000 pounds or less, and is registered for highway use in the U.S. under the laws of any state. Enter the credit on line 1. If you bought more than one vehicle, enter the total credits on line 1. If you claim the credit for diesel-powered vehicles, you must reduce the basis of the vehicle by the credit claimed.

Form **4562**

Department of the Treasury
Internal Revenue Service (X)

Depreciation and Amortization

▶ See separate instructions.
▶ Attach this form to your return.

OMB No 1545-0172

1989

Attachment Sequence No. 67

Name(s) as shown on return

Identifying number

Business or activity to which this form relates

Part I **Depreciation** *(Use Part III for automobiles, certain other vehicles, computers, and property used for entertainment, recreation, or amusement.)*

Section A.—Election To Expense Depreciable Assets (Section 179)

1 Maximum dollar limitation	1	$10,000
2 Total cost of section 179 property placed in service during the tax year (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	$200,000
4 Reduction in limitation (Subtract line 3 from line 2, but do not enter less than -0-.)	4	
5 Dollar limitation for tax year (Subtract line 4 from line 1, but do not enter less than -0-.)	5	

(a) Description of property	(b) Date placed in service	(c) Cost	(d) Elected cost
6			

7 Listed property—Enter amount from line 28	7	
8 Tentative deduction (Enter the lesser of: (a) line 6 plus line 7; or (b) line 5.)	8	
9 Taxable income limitation (Enter the lesser of :(a) Taxable income; or (b) line 5) (see instructions)	9	
10 Carryover of disallowed deduction from 1988 (see instructions)	10	
11 Section 179 expense deduction (Enter the lesser of: (a) line 8 plus line 10; or (b) line 9.)	11	
12 Carryover of disallowed deduction to 1990 (Add lines 8 and 10, less line 11.) ▶	12	

Section B.—MACRS Depreciation

(a) Classification of property	(b) Date placed in service	(c) Basis for depreciation (Business use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
13 General Depreciation System (GDS) (see instructions): *For assets placed in service ONLY during tax year beginning in 1989*						
a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
h Nonresidential real property			31.5 yrs.	MM	S/L	
			31.5 yrs.	MM	S/L	
14 Alternative Depreciation System (ADS) (see instructions): *For assets placed in service ONLY during tax year beginning in 1989*						
a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

15 Listed property—Enter amount from line 27	15	
16 GDS and ADS deductions for assets placed in service before 1989 (see instructions)	16	

Section C.—ACRS and/or Other Depreciation

17 Property subject to section 168(f)(1) election (see instructions)	17	
18 ACRS and/or other depreciation (see instructions)	18	

Section D.—Summary

19 Total (Add deductions on line 11 and lines 13 through 18.) Enter here and on the appropriate line of your return (Partnerships and S corporations—see instructions.)	19	
20 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs (see instructions)	20	

Part II Amortization

(a) Description of property	(b) Date amortization begins	(c) Cost or other basis	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
21 Amortization for property placed in service **only** during tax year beginning in 1989					

22 Amortization for property placed in service before 1989 22

23 Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return 23

Part III Listed Property.—Automobiles, Certain Other Vehicles, Computers, and Property Used for Entertainment, Recreation, or Amusement

If you are using the standard mileage rate or deducting vehicle lease expense, complete columns (a) through (d) of Section A, all of Section B, and Section C if applicable.

Section A.—Depreciation (Caution: *See instructions for limitations for automobiles.*)

24a Do you have evidence to support the business use claimed? ☐ Yes ☐ No 24b If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business use percentage (%)	(d) Cost or other basis (see instructions for leased property)	(e) Basis for depreciation — business use only	(f) Recovery period	(g) Method	(h) Depreciation deduction	(i) Elected section 179 cost
25 *Property used more than 50% in a trade or business:*								
26 *Property used 50% or less in a trade or business:*								
						S/L		
						S/L		
						S/L		
27 Total (Enter here and on line 15, page 1.) 27								
28 Total (Enter here and on line 7, page 1.) 28								

Section B.—Information Regarding Use of Vehicles—*If you deduct expenses for vehicles.*

- *Always complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.*
- *If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.*

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
29 Total business miles driven during the year (DO NOT include commuting miles) . .												
30 Total commuting miles driven during the year												
31 Total other personal (noncommuting) miles driven												
32 Total miles driven during the year (Add lines 29 through 31)												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
33 Was the vehicle available for personal use during off-duty hours?												
34 Was the vehicle used primarily by a more than 5% owner or related person? . . .												
35 Is another vehicle available for personal use?												

Section C.—Questions for Employers Who Provide Vehicles for Use by Their Employees

(Answer these questions to determine if you meet an exception to completing Section B. **Note:** *Section B must always be completed for vehicles used by sole proprietors, partners, or other more than 5% owners or related persons.)*

	Yes	No
36 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
37 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? (See instructions for vehicles used by corporate officers, directors, or 1% or more owners.)		
38 Do you treat all use of vehicles by employees as personal use?		
39 Do you provide more than five vehicles to your employees and retain the information received from your employees concerning the use of the vehicles?		
40 Do you meet the requirements concerning qualified automobile demonstration use (see instructions)?		

Note: *If your answer to 36, 37, 38, 39, or 40 is "Yes," you need not complete Section B for the covered vehicles.*

Form **4952**

Department of the Treasury
Internal Revenue Service

Investment Interest Expense Deduction

▶ See separate instructions.
▶ Attach to your tax return.

OMB No. 1545-0191

1989

Attachment Sequence No. 72

Name(s) shown on return

Identifying number

1	Investment interest expense paid or accrued in 1989. See Instructions		1
2	Investment income minus investment expenses. See Instructions	2	
3	Phase-in adjustment from passive activities. See Instructions	3	
4	**Net investment income.** Subtract line 3 from line 2. If the result is -0- or less, enter -0-		4
5	Subtract line 4 from line 1. If the result is -0- or less, enter -0- here and on line 13, and skip lines 6 through 12. Otherwise, go to line 6		5
6	Enter the amount from line 1, minus the interest expense from certain trade or businesses. See Instructions		6
7	Enter the amount from line 2, without the income or expenses from certain trade or businesses. See Instructions	7	
8	Phase-in ceiling amount: **Individuals (not married filing separately)** and **estates,** enter $10,000 **Married individuals filing separately,** enter $5,000 **Trusts,** enter zero (-0-)	8	
9	Add lines 7 and 8		9
10	Subtract line 9 from line 6. If the result is -0- or less, enter -0-		10
11	Subtract line 10 from line 5. If the result is -0- or less, enter -0-		11
12	Multiply line 11 by 80% (.8)		12
13	Add lines 10 and 12		13
14	Enter the amount from line 1	14	
15	Enter the **smaller** of line 5 or line 13	15	
16	Subtract line 15 from line 14	16	
17	Disallowed investment interest expense from 1988 Form 4952, line 23. If -0-, enter -0- here and on lines 21 and 22, and skip lines 18 through 20. Otherwise, go to line 18	17	
18	Enter the amount from line 4. If line 4 is -0-, enter -0- here and on line 20 and skip line 19. Otherwise, go to line 19	18	
19	Enter the amount from line 1	19	
20	Subtract line 19 from line 18. If the result is -0- or less, enter -0-	20	
21	Enter the **smaller** of line 17 or line 20	21	
22	Subtract line 21 from line 17	22	
23	**Disallowed investment interest expense.** Add lines 15 and 22. (This amount is carried forward to 1990)		23
24	**Investment interest expense deduction.** Add lines 16 and 21. See Instructions		24

For Paperwork Reduction Act Notice, see page 1 of separate Instructions.

Form **4952** (1989)

Form **6198**

Department of the Treasury
Internal Revenue Service

At-Risk Limitations

► Attach to your tax return.
► See separate instructions.

OMB No 1545-0712

1989

Attachment Sequence No 31

Name(s) as shown on return | Identifying Number

Description of activity

Part I Current Year Profit (Loss) From the Activity, Including Prior Year Nondeductible Amounts. See Instructions. (Enter losses in parentheses.)

1	Ordinary income (loss) from the activity. See Instructions	1	
2	Gain (loss) from the sale or other disposition of assets used in the activity (or your interests in the activity) that you will be initially reporting on:		
a	Schedule D	2a	
b	Form 4797	2b	
c	Other form or schedule	2c	
3	Other income or gains from the activity from Schedule K-1 of Form 1065 or Form 1120S, whichever applies, that were not included above on lines 1 through 2c	3	
4	Other deductions or losses from the activity, including investment interest expense, that were not used in figuring amounts on lines 1 through 3	4	( )
5	Current year profit (loss) from the activity. Combine lines 1 through 4. See Instructions before completing the rest of this form	5	

Part II Simplified Computation of Amount At Risk (See Instructions for who may use this part.)

6	Adjusted basis (as defined in section 1011) in the activity (or adjusted basis of interest in the activity) on the first day of the tax year. Do not enter less than zero	6	
7	Increases for the tax year	7	
8	Add lines 6 and 7	8	
9	Decreases for the tax year	9	
10	Amount at risk. Subtract line 9 from line 8 and enter result here ► ..... Also enter the result in the entry space for line 10. However, if the result is less than zero, enter zero in the entry space for line 10 and see **Pub. 925** for information on the recapture rules. **Note:** *You may want to use Part III to see which computation (Part II or III) gives you the larger amount at risk. Enter the larger amount (but not less than zero) on line 20, Part IV*	10	

Part III Detailed Computation of Amount At Risk

(If you completed Part III of Form 6198 for 1988, see Instructions for Part III before completing this part for 1989.)

11	Investment in the activity (or investment in interest in the activity) at effective date. Do not enter less than zero	11	
12	Increases at effective date	12	
13	Add lines 11 and 12	13	
14	Decreases at effective date	14	
15	Amount at risk (check box that applies):		
a	☐ At effective date. Subtract line 14 from line 13. Do not enter less than zero.	15	
b	☐ From 1988 Form 6198, line 19. (Do not enter the amount from line 10 of the 1988 form.)		
16	Increases since (check box that applies):		
a	☐ Effective date	16	
b	☐ The end of your 1988 tax year		
17	Add lines 15 and 16	17	
18	Decreases since (check box that applies):		
a	☐ Effective date	18	
b	☐ The end of your 1988 tax year		
19	Amount at risk. Subtract line 18 from line 17 and enter result here ► ..... Also enter the result in the entry space for line 19. However, if the result is less than zero, enter zero in the entry space for line 19 and see **Pub. 925** for information on the recapture rules. Also enter on line 20 if you are not using the amount from Part II	19	

Part IV Deductible Loss

20	Amount at risk from line 10 or 19, whichever is larger. Do not enter less than zero. **Note:** *If line 20 is zero, enter zero on line 21. You do not have a deductible loss this year.*	20	
21	**Deductible loss.** Enter the smaller of the loss on line 5 or the amount on line 20. See the Instructions for where to report any deductible loss and any carryover	21	( )

Note: If this loss is from a passive activity, get ***Form 8582,*** *Passive Activity Loss Limitations, or* ***Form 8810,*** *Corporate Passive Activity Loss and Credit Limitations, to see if the loss is allowed under the passive activity rules. If part of the loss is subject to the passive activity loss rules and part of it is not, allocate the loss and take the ratable portion attributable to the passive activity loss rules to Form 8582 or Form 8810, whichever applies.*

Form **6251**

Department of the Treasury
Internal Revenue Service

Alternative Minimum Tax—Individuals

► See separate instructions.
► Attach to Form 1040 or Form 1040NR. Estates and trusts, use Form 8656.

OMB No. 1545-0227

1989

Attachment Sequence No. 32

Name(s) shown on Form 1040 | Your social security number

1	Taxable income from Form 1040, line 37 (can be less than zero)			1
2	Net operating loss deduction, if any, from Form 1040, line 22. (Enter as a positive amount.)			2
3	Add lines 1 and 2			3
4	**Adjustments:** (See Instructions before completing.)			
a	Standard deduction, if applicable, from Form 1040, line 34	4a		
b	Personal exemption amount from Form 1040, line 36	4b		
c	Medical and dental expense	4c		
d	Miscellaneous itemized deductions from Schedule A (Form 1040), line 24	4d		
e	Taxes from Schedule A (Form 1040), line 8	4e		
f	Refund of taxes	4f	( )	
g	Personal interest from Schedule A (Form 1040), line 12b	4g		
h	Other interest adjustments	4h		
l	Combine lines 4a through 4h			4l
j	Depreciation of property placed in service after 1986	4j		
k	Circulation and research and experimental expenditures paid or incurred after 1986	4k		
l	Mining exploration and development costs paid or incurred after 1986	4l		
m	Long-term contracts entered into after 2/28/86	4m		
n	Pollution control facilities placed in service after 1986	4n		
o	Installment sales of certain property	4o		
p	Adjusted gain or loss	4p		
q	Certain loss limitations	4q		
r	Tax shelter farm loss	4r		
s	Passive activity loss	4s		
t	Beneficiaries of estates and trusts	4t		
u	Combine lines 4j through 4t			4u
5	**Tax preference items:** (See Instructions before completing.)			
a	Appreciated property charitable deduction	5a		
b	Tax-exempt interest from private activity bonds issued after 8/7/86	5b		
c	Depletion	5c		
d	Add lines 5a through 5c			5d
e	Accelerated depreciation of real property placed in service before 1987	5e		
f	Accelerated depreciation of leased personal property placed in service before 1987	5f		
g	Amortization of certified pollution control facilities placed in service before 1987	5g		
h	Intangible drilling costs	5h		
l	Add lines 5e through 5h			5i
6	Combine lines 3, 4i, 4u, 5d, and 5i			6
7	Alternative tax net operating loss deduction. (Do not enter more than 90% of line 6.) See Instructions			7
8	Alternative minimum taxable income (subtract line 7 from line 6). If married filing a separate return, see Instructions.			8
9	Enter: $40,000 ($20,000 if married filing separately; $30,000 if single or head of household)			9
10	Enter: $150,000 ($75,000 if married filing separately; $112,500 if single or head of household)			10
11	Subtract line 10 from line 8. If the result is -0- or less, enter -0- here and on line 12 and go to line 13			11
12	Multiply line 11 by 25% (.25)			12
13	Subtract line 12 from line 9. If the result is -0- or less, enter -0-. If completing this form for a child under age 14, see the Instructions for the amount to enter on this line			13
14	Subtract line 13 from line 8. If the result is -0- or less, enter -0- here and on line 19			14
15	Multiply line 14 by 21% (.21)			15
16	Alternative minimum tax foreign tax credit. See Instructions			16
17	Tentative minimum tax (subtract line 16 from line 15)			17
18	Enter your tax from Form 1040, line 38, minus any foreign tax credit on Form 1040, line 43. If an amount is entered on line 39 of Form 1040, see Instructions			18
19	**Alternative minimum tax** (subtract line 18 from line 17). Enter on Form 1040, line 49. If the result is -0- or less, enter -0-. If completing this form for a child under age 14, see the Instructions for the amount to enter			19

Form **8396**

Department of the Treasury
Internal Revenue Service

Mortgage Interest Credit

(For Holders of Qualified Mortgage Credit Certificates Issued by State or Local Governmental Units or Agencies.)

Caution: If you entered -0- on line 19 of your 1988 Form 8396, see the instructions for line 6.

► **Attach to Form 1040.**

OMB No. 1545-0930

1989

Attachment Sequence No **53**

Name(s) shown on Form 1040

Your social security number

Enter the address of your main home on which the credit is claimed if it is different than the address shown on Form 1040

Part I Computation of Mortgage Interest Credit

1	Interest paid on the certified indebtedness amount. If you and at least one other person held an interest in the home, enter only your share of the interest paid	1	
2	Enter the certificate credit rate shown on your mortgage credit certificate	2	× %
3	Multiply line 1 by the percentage on line 2. (If line 2 is more than 20%, see the instructions for the amount to enter.) You must reduce your mortgage interest deduction on Schedule A (Form 1040) by this amount	3	
4	Enter any credit carryforward from 1986 (line 20 of your 1988 Form 8396)	4	
5	Enter any credit carryforward from 1987 (line 18 of your 1988 Form 8396)	5	
6	Enter any credit carryforward from 1988 (line 21 of your 1988 Form 8396). **Caution:** If you entered -0- on line 19 of your 1988 Form 8396, see the instructions	6	
7	Add lines 3 through 6	7	
8	Enter the amount from line 40 (Form 1040)	8	
9	Add the amounts from lines 41 and 42 (Form 1040), and enter the total	9	
10	Subtract line 9 from line 8. If the result is -0- or less, enter -0-	10	
11	Enter the amount from line 15 (Form 6251)	11	
12	Subtract line 11 from line 10. If the result is -0- or less, enter -0-	12	
13	Enter the smaller of line 7 or line 12. This is your **mortgage interest credit.** Also include this amount in the total entered on line 46 (Form 1040). Next to this total, write "MIC," and show the amount	13	

Part II Mortgage Interest Credit Carryforward to 1990. (Complete **only** if line 13 is less than line 7.)

14	Add lines 3 and 4	14	
15	Enter the amount from line 7	15	
16	Enter the **larger** of line 13 or line 14	16	
17	Subtract line 16 from line 15	17	
18	**1988 credit carryforward to 1990.** Enter the **smaller** of line 6 or line 17	18	
19	Subtract line 18 from line 17	19	
20	**1987 credit carryforward to 1990.** Enter the **smaller** of line 5 or line 19	20	
21	**1989 credit carryforward to 1990.** Subtract line 13 from line 3. If the result is -0- or less, enter -0-	21	

For Paperwork Reduction Act Notice, see back of form.

Form **8396** (1989)

Form **8582**

Department of the Treasury
Internal Revenue Service

Passive Activity Loss Limitations

▶ See separate Instructions.
▶ Attach to Form 1040 or Form 1041.

OMB No. 1545-1008

1989

Attachment Sequence No. **88**

Name(s) shown on return | Identifying number

Part I Computation of 1989 Passive Activity Loss

Caution: *See the Instructions for Worksheets 1 and 2 on pages 6 and 7 before completing Part I.*

Rental Real Estate Activities With Active Participation (For the definition of active participation see **Active Participation in a Rental Real Estate Activity** in the Instructions.)

Activities acquired before 10-23-86 (Pre-enactment):

1a	Activities with net income (from Worksheet 1, Part 1, column (a))	1a		
1b	Activities with net loss (from Worksheet 1, Part 1, column (b))	1b		
1c	Combine lines 1a and 1b	1c		

Activities acquired after 10-22-86 (Post-enactment):

1d	Activities with net income (from Worksheet 1, Part 2, column (a))	1d		
1e	Activities with net loss (from Worksheet 1, Part 2, column (b))	1e		
1f	Combine lines 1d and 1e	1f		
1g	Net income or (loss). Combine lines 1c and 1f.		1g	
1h	Prior year unallowed losses (from Worksheet 1, Parts 1 and 2, column (c))		1h	
1i	Combine lines 1g and 1h		1i	

All Other Passive Activities

Activities acquired before 10-23-86 (Pre-enactment):

2a	Activities with net income (from Worksheet 2, Part 1, column (a))	2a		
2b	Activities with net loss (from Worksheet 2, Part 1, column (b))	2b		
2c	Combine lines 2a and 2b	2c		

Activities acquired after 10-22-86 (Post-enactment):

2d	Activities with net income (from Worksheet 2, Part 2, column (a))	2d		
2e	Activities with net loss (from Worksheet 2, Part 2, column (b))	2e		
2f	Combine lines 2d and 2e	2f		
2g	Net income or (loss). Combine lines 2c and 2f		2g	
2h	Prior year unallowed losses (from Worksheet 2, Parts 1 and 2, column (c))		2h	
2i	Combine lines 2g and 2h		2i	
3	Combine lines 1i and 2i. If the result is net income or -0-, see the Instructions for line 3. If this line and line 1c or line 1i are losses, go to line 4. Otherwise, enter -0- on lines 8 and 9 and go to line 10		3	

Part II Computation of the Special Allowance for Rental Real Estate With Active Participation

Note: *Treat all numbers entered in Parts II and III as positive amounts. (See Instructions on page 7 for examples.)*

4	Enter the **smaller** of the loss on line 1i or the loss on line 3. If line 1i is -0- or net income, enter -0- and complete lines 5 through 9		4	
5	Enter $150,000. If married filing separately, see the Instructions	5		
6	Enter modified adjusted gross income, but not less than -0- (see Instructions)	6		
	Note: *If line 6 is equal to or greater than line 5, skip line 7, enter -0- on lines 8 and 9, and then go to line 10. Otherwise, go to line 7.*			
7	Subtract line 6 from line 5	7		
8	Multiply line 7 by 50% (.5). **Do not** enter more than $25,000. If married filing separately, see Instructions		8	
9	Enter the **smaller** of line 4 or line 8		9	

Part III Computation of Passive Activity Loss Allowed

10	Combine lines 1c and 2c. If the result is net income or -0-, skip to line 16. (See Instructions.)	10	
11	If line 1c shows income, has no entry, or shows -0-, enter -0-. Otherwise, enter the **smaller** of line 1c or line 8	11	
12	Subtract line 11 from line 10. If line 11 is equal to or greater than line 10, enter -0-	12	
13	Subtract line 9 from line 3	13	
14	Enter the **smaller** of line 12 or line 13	14	
15	Multiply line 14 by 20% (.2) and enter the result	15	
16	Enter the amount from line 9	16	
17	**Passive activity loss allowed for 1989.** Add lines 15 and 16	17	
18	Add the income, if any, on lines 1a, 1d, 2a, and 2d and enter the total	18	
19	**Total losses allowed from all passive activities for 1989.** Add lines 17 and 18. See the Instructions to find out how to report the losses on your tax return	19	

Form **8606**

Department of the Treasury
Internal Revenue Service

Nondeductible IRA Contributions, IRA Basis, and Nontaxable IRA Distributions

▶ Please see Recordkeeping Requirements on the back.
▶ Attach to Form 1040, Form 1040A, or Form 1040NR.

OMB No. 1545-1007

1989

Attachment Sequence No. **86**

Name (If married, file a separate Form 8606 for each spouse. See instructions.) | Your social security number

Fill In Your Address Only If You Are Filing This Form by Itself and Not with Your Tax Return

Home address (number and street, or P.O. box if mail is not delivered to your home) | Apt. no.

City, town or post office, state, and ZIP code

1	Enter the total value of **ALL** your IRAs as of 12/31/89. (See instructions.)	1	
2	Enter your IRA contributions for 1989 that you choose to be nondeductible. Include those made during 1/1/90–4/16/90 that were for 1989. (See instructions.)		2
3	Enter your total IRA basis for 1988 and 1987. (See instructions.)		3
4	Add lines 2 and 3 and enter the total. If you did not receive any IRA distributions (withdrawals) in 1989, skip lines 5 through 13 and enter this amount on line 14		4
5	Enter only those contributions included on line 2 that were made during 1/1/90–4/16/90. (This amount will be the same as line 2 if all of your nondeductible contributions for 1989 were made in 1990 by 4/16/90.) (See instructions.)		5
6	Subtract line 5 from line 4 and enter the result		6
7	Enter the amount from line 1 plus any outstanding rollovers. (See instructions.)	7	
8	Enter total IRA distributions received during 1989. Do not include amounts rolled over before 1/1/90. (See instructions.)	8	
9	Add lines 7 and 8 and enter the total	9	
10	Divide line 6 by line 9 and enter the result as a decimal (to at least two places)	10 .	
11	Multiply line 8 by the decimal amount on line 10 and enter the result. This is the amount of your **nontaxable distributions for 1989.** (See instructions.) ▶		11
12	Subtract line 11 from line 6 and enter the result. This is the **basis in your IRA(s) as of 12/31/89**		12
13	Enter the amount, if any, from line 5		13
14	Add lines 12 and 13. This is the amount of your **total IRA basis for 1989 and prior years** ▶		14

Sign Here Only If You Are Filing This Form by Itself and Not with Your Tax Return

Under penalties of perjury, I declare that I have examined this form, including accompanying attachments, and to the best of my knowledge and belief, it is true, correct, and complete.

▶ Your signature ▶ Date

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping . . . . . 26 minutes

Learning about the law or the form . . . . . 7 minutes

Preparing the form . . . . 21 minutes

Copying, assembling, and sending the form to IRS . . 20 minutes

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to either the **Internal Revenue Service**, Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; or the **Office of Management and Budget**, Paperwork Reduction Project (1545-1007), Washington, DC 20503.

A Change You Should Note

Penalty for Not Filing Form 8606.—A change in the law provides for a penalty if you make nondeductible IRA contributions and do not file Form 8606. You will have to pay a $50 penalty for each failure to file Form 8606, unless you can show that the failure to file was due to reasonable cause.

General Instructions

Purpose of Form.—You must use Form 8606 to report the amount of your IRA contributions that you choose to be nondeductible. You may wish to make nondeductible contributions, for example, if all or part of your contributions are not deductible because of the income limitations for IRAs. First, figure the amount of your deductible contributions using the Instructions for Form 1040 or Form 1040A, whichever apply to you. Report the deductible contributions on Form 1040, Form 1040A, or Form 1040NR. Then enter on line 2 of Form 8606 the amount you choose to be nondeductible.

The part of any distributions you receive attributable to nondeductible contributions will not be taxable. If you have at any time made nondeductible contributions, also use Form 8606 to figure the nontaxable part of any IRA distributions you received in 1989. Line 11 will show the amount that is not taxable.

Who Must File.—You must file Form 8606 for 1989 if:

- You made nondeductible contributions to your IRA for 1989, or
- You made nondeductible contributions to your IRA for 1988 during 1989, or
- You received IRA distributions in 1989 and you have at any time made nondeductible contributions to any of your IRA(s).

When and Where To File.—Attach Form 8606 to your 1989 Form 1040, Form 1040A, or Form 1040NR.

If you are required to complete Form 8606, but you do not have to file an income tax return because you do not meet the requirements for filing a return, you still have to file a Form 8606 with the Internal Revenue Service at the time and place you

Form **8615**

Department of the Treasury
Internal Revenue Service

Computation of Tax for Children Under Age 14 Who Have Investment Income of More Than $1,000

► See Instructions below and on back.
► Attach ONLY to the Child's Form 1040, Form 1040A, or Form 1040NR.

OMB No 1545 0998

1989

Attachment Sequence No 33

General Instructions

Purpose of Form. For children under age 14, investment income (such as taxable interest and dividends) over $1,000 is taxed at the parent's rate if the parent's rate is higher than the child's rate.

Do not use this form if the child's investment income is $1,000 or less. Instead, figure the tax in the normal manner on the child's income tax return. For example, if the child had $900 of taxable interest income and $200 of wages, Form 8615 is not required to be completed and the child's tax should be figured on Form 1040A using the Tax Table.

If the child's investment income is more than $1,000, use this form to see if any of the child's investment income is taxed at the parent's rate and, if so, to figure the child's tax. For example, if the child had $1,100 of taxable interest income and $200 of wages, complete Form 8615 and attach it to the child's Form 1040A.

Investment Income. As used on this form, "investment income" includes all taxable income other than earned income as defined on page 2. It includes income such as taxable interest, dividends, capital gains, rents, royalties, etc. It also includes pension and annuity income and income (other than earned income) received as the beneficiary of a trust.

Who Must File. Generally, Form 8615 must be filed for any child who was under age 14 on January 1, 1990, and who had more than $1,000 of investment income. If neither parent was alive on December 31, 1989, do not use Form 8615. Instead, figure the child's tax based on his or her own rate.

Note: *Beginning in 1989, the parent may be able to elect to report the child's investment income on his or her return. If the parent makes this election, the child will not have to file a return or Form 8615. For more details, see the instructions for Form 1040 or Form 1040A, or get* ***Form 8814****, Parent's Election To Report Child's Interest and Dividends.*

Additional Information. For more information about the tax on investment income of children, please get **Pub. 929**, Tax Rules for Children and Dependents.

(Instructions continue on back.)

Child's name shown on return | Child's social security number

Parent's name (first, initial, and last). (**Caution:** See instructions on back before completing.) | Parent's social security number

Parent's filing status (check one): ☐ Single, ☐ Married filing jointly, ☐ Married filing separately, ☐ Head of household, or ☐ Qualifying widow(er)

Enter number of exemptions claimed on parent's return ► ☐

Step 1 Figure child's net investment income

1	Enter the child's investment income, such as taxable interest and dividend income (see the instructions). (If this amount is $1,000 or less, stop here; do not file this form.)	1	
2	If the child DID NOT itemize deductions on Schedule A (Form 1040 or Form 1040NR), enter $1,000. If the child ITEMIZED deductions, see the instructions	2	
3	Subtract the amount on line 2 from the amount on line 1. Enter the result. (If zero or less, stop here; do not complete the rest of this form but ATTACH it to the child's return.)	3	
4	Enter the child's **taxable** income (from Form 1040, line 37; Form 1040A, line 19; or Form 1040NR, line 35)	4	
5	Compare the amounts on lines 3 and 4. Enter the **smaller** of the two amounts here ►	5	

Step 2 Figure tentative tax based on the tax rate of the parent listed above

6	Enter the parent's **taxable** income (from Form 1040, line 37; Form 1040A, line 19; Form 1040EZ, line 5; or Form 1040NR, line 35). But if the parent transferred property to a trust, see the instructions	6	
7	Enter the total, if any, of the net investment income from Forms 8615, line 5, of ALL OTHER children of the parent. (Do not include the amount on line 5 above.)	7	
8	Add the amounts on lines 5, 6, and 7. Enter the total	8	
9	Tax on the amount on line 8 based on the **parent's** filing status	9	
10	Enter the parent's tax (from Form 1040, line 38; Form 1040A, line 20; Form 1040EZ, line 7; or Form 1040NR, line 36)	10	
11	Subtract the amount on line 10 from the amount on line 9. Enter the result. (If no amount is entered on line 7, enter the amount from line 11 on line 13; skip lines 12a and 12b.)	11	
12a	Add the amounts on lines 5 and 7. Enter the total (12a)		
b	Divide the amount on line 5 by the amount on line 12a. Enter the result as a decimal (rounded to two places)	12b	× .
13	Multiply the amount on line 11 by the decimal amount on line 12b. Enter the result ►	13	

Step 3 Figure child's tax

	Note: *If the amounts on lines 4 and 5 are the same, skip to line 16.*		
14	Subtract the amount on line 5 from the amount on line 4. Enter the result (14)		
15	Tax on the amount on line 14 based on the **child's** filing status	15	
16	Add the amounts on lines 13 and 15. Enter the total	16	
17	Tax on the amount on line 4 based on the **child's** filing status	17	
18	Compare the amounts on lines 16 and 17. Enter the **larger** of the two amounts here and on Form 1040, line 38; Form 1040A, line 20; or Form 1040NR, line 36. Be sure to check the box for "Form 8615" ►	18	

For Paperwork Reduction Act Notice, see back of form. Form **8615** (1989)

Form **8801**

Department of the Treasury
Internal Revenue Service

Credit For Prior Year Minimum Tax

► Attach to your tax return.
► See instructions on back.

OMB No. 1545-1073

1989

Attachment Sequence No. 74

Name(s) shown on return | Identifying number

Part I Computation of Net Minimum Tax on Exclusion Items

1	Enter taxable income (loss) from line 3 of your 1988 Form 6251; or line 1 of your 1988 Form 4626. Form 1041 filers, see instructions	1	
2	Enter adjustments and tax preference items treated as exclusion items. See instructions	2	
3	**Minimum tax credit net operating loss deduction.** See instructions	3	( )
4	Combine lines 1 through 3. If the result is -0- or less, enter -0- here and on line 15, and see the instructions. Otherwise, go to line 5	4	
5	Exemption amount. Enter amount from line 9 of your 1988 Form 6251, or line 9a of your 1988 Form 4626. Form 8656 filers, enter $20,000	5	
6	Phase-out of exemption. Enter amount from line 10 of your 1988 Form 6251, or line 9b of your 1988 Form 4626. Form 8656 filers, enter $75,000	6	
7	Subtract line 6 from line 4. If the result is -0- or less, enter -0- here and on line 8 and go to line 9. Otherwise, go to line 8	7	
8	Multiply line 7 by 25% (.25) and enter the result	8	
9	Subtract line 8 from line 5. If the result is -0- or less, enter -0-	9	
10	Subtract line 9 from line 4. If the result is -0- or less, enter -0- here and on line 15, and see the instructions for line 10	10	
11	Form 6251 and Form 8656 filers, multiply line 10 by 21% (.21). Form 4626 filers, multiply line 10 by 20% (.20).	11	
12	**Minimum tax foreign tax credit on exclusion items.** See instructions	12	
13	**Tentative minimum tax on exclusion items.** Subtract line 12 from line 11	13	
14	Enter the amount from line 18 of your 1988 Form 6251, line 15 of your 1988 Form 4626, or line 11c, Part III, of your 1988 Form 8656	14	
15	**Net minimum tax on exclusion items.** Subtract line 14 from line 13. If the result is -0- or less, enter -0-	15	

Part II Computation of Allowable Minimum Tax Credit

16	Enter amount from line 19 of your 1988 Form 6251; the sum of lines 14 and 16 of your 1988 Form 4626; or line 12, Part III, of your 1988 Form 8656	16	
17	Enter amount from line 15 above	17	
18	Subtract line 17 from line 16. If line 17 is greater than line 16, enter the result as a negative amount	18	
19	**Carryforward of minimum tax credit from 1988.** Enter amount from line 26 of your 1988 Form 8801. See the instructions	19	
20	Enter your 1988 unallowed credit for producing fuel from a nonconventional source. See the instructions.	20	
21	Combine lines 18, 19, and 20. If the result is -0- or less, stop here and do not complete the rest of the form. Otherwise, go to line 22	21	
22	Enter your 1989 regular income tax liability minus allowable tax credits. See the instructions	22	
23	Enter the amount from line 17 of your 1989 Form 6251, line 13 of your 1989 Form 4626, or line 10, Part III, of your 1989 Form 8656	23	
24	Subtract line 23 from line 22. If the result is -0- or less, enter -0-	24	
25	**Allowable minimum tax credit.** Enter the **smaller** of line 21 or line 24. Also enter this amount on the appropriate line of your 1989 tax return (see instructions)	25	

Part III Computation of Minimum Tax Credit Carryforward to 1990

26	Enter amount from line 21 above	26	
27	Enter amount from line 25 above	27	
28	**Carryforward of minimum tax credit to 1990.** Subtract line 27 from line 26. See the instructions	28	

General Instructions

(Section references are to the Internal Revenue code.)

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is

Recordkeeping	1 hr., 33 min.
Learning about the law or the form	1 hr., 6 min.
Preparing the form	1 hr., 3 min.
Copying, assembling, and sending the form to IRS	17 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to either the IRS or the Office of Management and Budget at the addresses listed in the instructions of the tax return with which this form is filed.

Purpose of Form

Form 8801 is used to compute the minimum tax credit, if any, for alternative minimum tax (AMT) incurred in prior tax years after 1986. The form is also used to figure any minimum tax credit carryforward that may be used in future years.

Who Should File

Form 8801 should be completed by individuals, corporations, trusts, and estates that:

- had adjustment and tax preference items in 1988; or
- had a minimum tax credit carryforward from 1988 to 1989; or

Form **8814**

Department of the Treasury
Internal Revenue Service

Parent's Election To Report Child's Interest and Dividends

▶ See instructions below and on back.
▶ Attach to Parent's Form 1040 or Form 1040NR.

OMB No. 1545-1128

1989

Attachment Sequence No. **40**

General Instructions

Purpose of Form.—Use this form if you are a parent and choose to report the income of your child on your return. If you do, the child will not have to file a return. You can file this form only if your child:

- Was under age 14 on January 1, 1990;
- Had income only from interest and dividends (including Alaska Permanent Fund dividends);
- Had gross income for 1989 that was more than $500 but less than $5,000;
- Had no estimated tax payments for 1989;
- Did not have any overpayment of tax shown on his or her 1988 return applied to the 1989 return; AND
- Had no Federal income tax withheld from his or her income (backup withholding).

The parent(s) must also qualify as explained on page 2 of these instructions.

Step 1 is used to figure the amount of the child's income to report on the parent's return. **Step 2** is used to figure an additional tax that must be added to the parent's tax.

A separate Form 8814 must be filed for each child whose income the parent chooses to report.

Caution: *The Federal income tax on your child's income may be less if you file a tax return for the child instead of making this election. This is because you cannot take certain deductions that your child would be entitled to on his or her own return. For details, see* **Deductions You May Not Take** *on page 2.*

(Instructions continue on back.)

Name(s) shown on parent's return	Your social security number
Child's name (first, initial, and last)	Child's social security number

Caution: If more than one Form 8814 is attached, check here ▶ ☐

Step 1 Figure amount of child's interest and dividend income to report on your return

1a	Enter your child's **taxable** interest income. If this amount is different than the amounts shown on the child's Forms 1099-INT and 1099-OID, see the instructions	1a	
b	Enter your child's **tax-exempt** interest income. Do **NOT** include this amount on line 1a (1b)		
2a	Enter your child's gross dividends (including any Alaska Permanent Fund dividends). If none, enter zero on line 2c and go to line 3. If your child received any capital gain distributions or dividends as a nominee, see the instructions	2a	
b	Enter your child's nontaxable distributions (from Form 1099-DIV, Box 1d) included on line 2a	2b	
c	Subtract line 2b from line 2a. Enter the result	2c	
3	Add lines 1a and 2c. Enter the total. If the total is $1,000 or less, skip lines 4 and 5 and go to line 6. If the total is $5,000 or more, **do not** file this form. Your child **must** file his or her own return to report the income	3	
4	Base amount	4	1,000 00
5	Subtract line 4 from line 3. Enter the result. (If filing more than one Form 8814, see the instructions.) Also include this amount in the total on Form 1040, line 22, or Form 1040NR, line 22. In the space next to line 22, write "Form 8814" and show the amount. Go on to line 6. ▶	5	

Step 2 Figure your tax on the first $1,000 of child's interest and dividend income

6	Amount not taxed	6	500 00
7	Subtract line 6 from line 3. Enter the result. If the result is zero or less, enter zero	7	
8	**Tax.** • If the amount on line 7 is $500 or more, enter $75 here. (Also, see the **Note** below for where to enter it on your tax return.) • If the amount on line 7 is less than $500, multiply the amount on line 7 by 15% (.15). Enter the result here. (Also, see the **Note** below for where to enter it on your tax return.)	8	

Note: *Include the amount from line 8 in the tax you enter on Form 1040, line 38, or Form 1040NR, line 36. On Form 1040, also enter the amount from line 8 in the space provided next to line 38. On Form 1040NR, write the amount from line 8 and "Form 8814" on the dotted line next to line 36. (If filing more than one Form 8814, see the instructions.)*

Chapter 3

IMPUTATIONS TO THE TAX MODEL

3.1 INTRODUCTION

As mentioned in the previous chapter, the Tax Model's data bases consist of several imputations. The purpose of this chapter is to describe the imputations. The first section describes itemized deduction expenses imputed to non-itemizers. The second section describes all of the other imputations to the base file. The third section contains a description of how the ages of taxpayers were obtained. The fourth section describes, the statistical match between SOI tax records and records on the 1990 Current Population Survey (CPS) file. The next section describes how consumer expenditures were imputed to the Match file. Finally, this chapter describes the construction of family economic income (FEI).

3.2 ITEMIZED DEDUCTIONS FOR NON-ITEMIZING FILERS

When one considers a tax proposal that does not treat itemized deductions in the same manner as current law, it is possible that the proposed law may result in some individuals electing to file an itemized return instead of a non-itemized return. This effect cannot be captured in an analysis of the tax proposal unless the data base contains some values for the potential itemized deductions of the non-itemizers. Since the tax sample does not contain data on deductions for non-itemizers, it was necessary to augment the Tax Model's data base with estimates of the various deductions. The following eleven itemized deduction expenses were imputed to non-itemizers: 1) total medical expenses, 2) state and local income taxes, 3) real estate taxes, 4) personal property taxes, 5) consumer interest expenses, 6) total home mortgage interest expenses, 7) investment interest expenses, 8) total charitable contributions, 9) fully deductible miscellaneous expenses, 10) miscellaneous expenses that are subject to the 2% AGI floor, and 11) total casualty and theft losses.

A key problem encountered when imputing itemized deductions is the lack of information about the behavior of the non-itemizing population. The methodology employed here assumes that the non-itemizing population behaves no differently than the itemizing population. In addition, itemized deductions expressed as a share of non-negative AGI has a multivariate normal distribution truncated at zero. Given these assumptions, a version of the EM algorithm can be used to estimate the levels

for non-itemizers. This application of the EM algorithm was originally presented as one technique for imputing missing at-random data and developed by Little and Rubin in their work on missing data[1].

There are, however, several additional refinements used for the non-itemizer imputations. First, dependent filers (tax filers who are claimed as a dependent by another tax return) were assumed to have zero expenses and were excluded from the imputation process. Second, since not everyone has all forms of itemized deductions, the presence of a specific itemized deduction for a non-itemizer was determined by an indicator vector whose values were determined by an "equivalent" itemizer. (A "hotdeck" procedure was used to determine equivalence within an AGI class.) In no case, however, was a value for state and local income taxes assigned to a return living in a state without an individual income tax. (The tax sample's State Code was used to determine state of residence.) Similarly, returns in states without personal property taxes were excluded from receiving a personal property tax value.

Next, the number of returns imputed a real estate tax value was restricted so that the total number of returns with real estate taxes, including itemizers, equaled the number of owner-occupied houses in the United States. (58 million in 1989). Similarly, the total number of returns with a home mortgage interest expense equaled the number of owner-occupied houses with mortgages (33.6 million in 1989). Further, a non-itemizer could not receive a home mortgage interest expense value unless a real estate tax value was also imputed.

Finally, since the itemized deductions for non-itemizers must (under the assumption of taxpayer rationality) be less than the standard deduction, the total imputed value of itemized deductions was adjusted to fall below the level of the standard deduction. A value between 1/2 of the standard deduction and the full standard deduction was randomly assigned to each non-itemizer. If the initial value of deductions was greater than the standard deduction, then each deduction was reduced, pro-rata, so that the new total equaled the assigned value.

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1. Little and Rubin, Statistical Analysis with Missing Data. (John Wiley and Sons Inc., New York, 1987).

3.3 IMPUTATIONS TO THE BASE FILE

3.3.1 THE TWO-EARNER IMPUTATIONS

One set of useful information in many economic or tax analyses is the earnings split between the primary taxpayer and spouse. For example, economists generally believe that secondary earners are relatively more responsive to changes in after-tax wage rates. Further, an accurate estimate of Social Security tax liability requires that earnings be split between the primary taxpayer and spouse. Also, legislators are often concerned with the so-called "marriage penalty."

3.3.1.1 Splitting Wages

For the first time, the Tax Model uses data from a W-2 Information Return file to split wages between the primary taxpayer and spouse. As the name implies, the W-2 Information Return file contains wage and other information from each taxpayer's W-2.

The following procedure describes how total taxable wages (WAS) were allocated between wages earned by the primary taxpayer (WASP) and wages earned by the spouse (WASS). Note that for all returns without a spouse present (i.e., all non-Joint returns) WASP=WAS and WASS=0. For notation purposes, the sum of taxable wages earned by the primary on the W-2 file is W2P; the corresponding value for the spouse is W2S.

- If the sum of W2P+W2S equals WAS, total wages on the return, then WASP=W2P and WASS=W2S.

- If present, Schedule SE is used to allocate wages between primary and spouse. Information on the SOI file from Schedule SE includes, total wages subject to FICA taxes, wages by certain government employees subject to Medicare taxes only, and wages by certain church-controlled organizations. A person's SECA tax base is first reduced by wages subject to FICA taxes. In general, information from Schedule SE can provide exact wage splits between primary and spouse.

- If W-2 information is completely missing, then a hotdeck imputation procedure is used and the earnings split of similar return is used.

- In a number of cases, the sum of W-2 taxable wages was greater than WAS. Usually, multiple W-2s were attached to the return. Further, the wage fields would balance by tossing out one or two W-2s. In several other cases, W-2 information was missing; the sum of W-2 taxable wages was

less than WAS. In cases where the sum of taxable wages did not and could not be balanced with SOI taxable wages, then the wage split was based each spouse's share of W-2 wages. That is, WASP = (W2P/(W2P+W2S))*WAS.

- The wage split was further restricted so that no spouse received a non-zero amount less than $25.

3.3.1.2 Splitting Self-Employment Income

In addition to wages, self-employment earnings were also split between primary and spouse. In general, self-employment earnings on the return come from three sources: net business income from sole proprietors (BIL), net income from active farmers, (AFARM), and net income from active partners (APART). To split these earnings, the primary source of information is self-employment earnings reported on Schedule SE.

To the extent that total earned income by an individual is below the Social Security Tax cap ($48,000 in 1989), Schedule SE provides exact amounts of self-employment earnings. The imputation methodology is often more complicated for those returns with earnings above the cap, or for those returns with self-employment losses. However, The level of sophistication needed in the imputation often depends on the policy being analyzed. For example, analyses of alternative earned income credits, child care credits, or Social Security earnings tests only require exact earnings splits for low or moderate levels of self-employment earnings. Earnings splits based solely on information from Schedule SE is clearly adequate.

The following procedure describes how self-employment earnings (SEE) are often allocated between the primary taxpayer (SEEP) and the spouse (SEES). Note that different assumptions may be used, depending on the circumstances. For all returns without a spouse present, SEES=0. For notation purposes, self-employed earnings reported on Schedule SE are SEERNP (primary) and SEERNS (spouse).

- If only the primary taxpayer files a Schedule SE, then all self-employment earnings belong to the primary (SEES=0). If his Schedule SE earnings are at the cap, then SEEP=MAX(SEERNP, SEE), otherwise SEEP=SEERNP. Conversely If only the spouse files a Schedule SE, then all self-employment earnings belong to the spouse. That is, SEES=MAX(SEERNS, SEE) or SEES=SEERNS and SEEP=0.

- If both the primary and spouse file a Schedule SE and both have earnings below the cap, then SEES=SEERNS, and SEEP=SEERNP.

- If both the primary and spouse file a Schedule SE and only the primary has earnings below the cap, then SEEP=SEERNP, and SEES=MAX(SEERNS, SEE-SEEP). Conversely if only the spouse has earnings below the cap, then SEES=SEERNS, and SEEP=MAX(SEERNP, SEE-SEES)

- If both the primary and spouse file a Schedule SE and both have earnings above the cap, then SEES=MAX(SEERNS, (SEERNS/(SEERNP+SEERNS))*SEE), and SEEP=MAX(SEERNP, (SEERNP/(SEERNP+SEERNS))*SEE).

3.3.2 PRESENCE OF AN EMPLOYER-SPONSORED RETIREMENT PLAN

Under the Tax Reform Act of 1986 (TRA), a person with earned income but without an employer-sponsored retirement plan may reduce AGI by up to $2000 from IRA contributions. A person with an employer-sponsored retirement plan may make a tax-deferred IRA contribution only if his AGI is below a certain threshold ($35,000 for singles and heads of households, and $50,000 for joint returns). These thresholds are phased in over a $10,000 range beginning at $25,000 and $40,000. Thus, the presence of an employer-sponsored retirement plan is required in order to properly simulate deductions for IRAs.

A retirement plan flag (IECPEN) was imputed only to returns with an IRA deduction. The first step was to calculate the maximum IRA deduction a return could take assuming an employer-sponsored retirement plan was available. Returns with an IRA deduction greater than this maximum obviously do not have an employer-sponsored plan; IPLAN=0 for these returns. Further, returns with incomes within the phase-out range and have an IRA deduction exactly equal to the maximum allowed probably do have a retirement plan available; IPLAN>0 for these returns.

The imputation process identified two remaining groups of returns with an IRA deduction; returns with incomes below the phase-out starting point and returns with income within the $10,000 phase-out range and with an IRA deduction below the calculated maximum deduction described above. A portion of these returns were randomly selected and assumed to have an employer-sponsored retirement plan. The probability of being selected varied by income class and filing status. Probabilities were derived from Version 11 of the Tax Model for similarly defined returns. Note that if any of these returns made an non-deductible IRA contribution, then that return was assumed to have a retirement plan available.

3.3.3 DISALLOWED PASSIVE LOSSES

Before the Tax Reform Act of 1986, taxpayers could use losses from one activity to offset income from any other activity. This encouraged taxpayers to invest in "tax shelters." Under TRA, losses from passive business activities can no longer (subject to a phase-in period) be used to offset other income except other passive income.

In 1989, taxpayers generally reported their combined, rental and non-rental, pre-limited passive losses on Form 8582. This Form is used to determine the amount of passive losses allowed. Then, using a series of worksheets, a taxpayer allocates total allowed losses to the original business sources (and respective business forms). For example, allowed passive partnership losses are reported on Schedule E, while allowed farm losses are reported on Schedule F.

The imputations summarized here determined the amount of disallowed passive losses by business source. Imputations were made for the following 9 separate categories (sources) of disallowed passive losses:

- Partnership losses,
- S-corporations (SBC) losses,
- Rental losses (Reported in Part I of Schedule E),
- Farm losses (Reported on Schedule F),
- Farm rental losses (Reported in Part V of Schedule E),
- Estates and trusts losses,
- Sole proprietorship losses (Reported on Schedule C),
- Certain capital losses (Reported on Form 4797 and on Schedule D), and
- Unallocable losses.

The first step in the imputation process was to identify and sum the total allowed passive losses by source. The SOI file contains separate fields for allowed losses from partnerships, SBCs, estates and trusts, rental activities, and farm rental activities. Note that all rental activities are treated as passive activities. Further, to a large degree, SOI has calculated the amount of disallowed rental losses from Part I of Schedule E. Allowed passive losses from farmers and sole proprietors were determined by using the material participation codes reported on Schedules C and F. In addition, losses from sole proprietors with a real estate activity (industry) codes could also be identified as passive. Unfortunately, allowed capital losses (reported on Schedule D) from passive activities are not easily identifiable on the SOI file.

Next, using information on Form 8582, allowed rental and non-rental passive losses are determined. Note that on Form 8582, a rental loss may come from almost any business type. For example, a partnership that engages in a rental activity would report any losses as rental losses on Form 8582. However, any allowed losses would be reported as a partnership loss on Schedule E.

The third step tried to reconcile differences in the total allowed losses obtained from the first two steps. For example, if the losses identified in the first step were less than Form 8582 allowed losses and the return had capital losses (reported on schedule D), then the difference was assumed to be an allowed capital loss. As a second example, the totals could often be reconciled by assuming that allowed passive partnership losses were from publicly traded partnerships.

The fourth and final step was to allocate the losses to their respective sources. This step could be quite complex for returns with multiple sources of passive losses. However, as a general rule, disallowed rental losses from Form 8582 were first allocated to Schedule E Part I rental activities. The remaining rental losses and all non-rental losses were allocated to each source in relation to their amount of allowed losses. That is, if allowed SBC losses accounted for 75% of total allowed losses, then 75% of total disallowed losses came from SBC activities.

3.3.4 SOCIAL SECURITY BENEFITS

A tax return is required to report his Social Security (and/or Railroad Retirement) benefits only when the benefits are taxable. This occurs when AGI (without benefits) plus tax exempt interest plus 1/2 of benefits exceeded a threshold. In 1989 the thresholds were $32,000 and $25,000 for joint and non-joint returns respectively. Thus, Social Security benefits are missing for most low-income returns. Further, the SOI file does not separate benefits going to the primary taxpayer from those going to the spouse.

For the first time, the Tax Model uses data from a SSA-1099 and RRB-1099 Information Return file to impute Social Security benefits going to all tax returns, and to split benefits between the primary taxpayer and spouse. As the name implies, the Information Return file contains Social Security or Railroad Retirement benefits reported on each taxpayers' SSA-1099 or RRB-1099. These information returns are exactly matched to records on the Base file. Values obtained from this match are constrained so that benefits are not subject to tax.

3.3.5 OBRA90 IMPUTATIONS

Two imputations are necessary in order to properly simulate two provisions of the Omnibus Budget Reconciliation Act of 1990 (OBRA90). Both provisions relate to the earned income credit. The first imputation identifies returns with a new-born baby. The second identifies returns with out-of-pocket health insurance expenses that cover dependent children.

3.3.5.1 New-Born Infants

Beginning in 1991, taxpayers with a new-born child may be eligible for a special earned income credit. Thus, the Tax Model needed an imputation which identified taxpayers with a new-born infant. The target number of taxfilers with a new-born in 1989 was 3.3 million. In 1989, taxpayers were required to report the Social Security number of each child dependent aged 2 and over. So, the imputation procedure first identified those returns with at least one child at-home exemption and who did not report a Social Security number for each child. From this group 3.3 million weighted returns were randomly chosen and assigned a flag indicating the presence of a new-born dependent.

3.3.5.2 Health Insurance Coverage for Children

OBRA90 also introduced a special earned income credit given to taxpayers with expenses for health insurance that covered at least one of their children. Thus, the Tax Model needed an imputation which identified taxpayers with health insurance expenses.

At the time the Tax Model was being constructed, OTA had just completed a study of financing health care.[2] Based on this work, data was available, by household income class, on the estimated probability of a child being covered by some private health insurance policy. Note that the new earned income credit is limited to the total amount spent on health insurance. However, for a large majority of families with health insurance, the cost of the insurance is greater than the maximum value of the credit ($428 in 1991). So, only a flag indicating whether health insurance is present is imputed to the Tax Model; the amount spent on health insurance is assumed to be a non-binding constraint. The weighted number of returns with expenses for health insurance that cover their children is 24 million returns.

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2. Office of Tax Analysis, Financing Health and Long-Term Care: Report to the President and to the Congress, March, 1990.

3.4 THE AGE MATCH

Many economic analyses and tax policy issues require information about the age of individuals. Age also proves to be extremely important explanatory variable and is used in many of the imputation methodologies, including the statistical match with the CPS file. This section describes how the ages of taxpayers were obtained.

OTA received a data file from Statistics of Income which contained among other things, the year and month of birth for most taxpayers on the 1989 SOI file. Age on December 31, 1989 was obtained simply by subtracting year-of-birth from 1989.

However, values were missing for several SOI records. Further, the year-of-birth value was occasionally considered unreasonable or inconsistent. These returns were identified and an age value was imputed. Cases where this could occur were:

- The age value was missing,
- The age value was negative or was greater than 110 years,
- The taxpayer or spouse filed a joint or head-of-household return and was under 14 years of age, or,
- The ages of the taxpayers and/or spouse were inconsistent with certain age-related information on the tax return, such as the number of claims for an age adjustment to the standard deduction, or the presence of Form 8615, indicating the return was filed by a child aged 14 or under.

The age imputations were based on regression equations using successfully matched taxpayers. Three regression equations were estimated, one for primary taxpayers without a spouse, a second for primary taxpayers where the spouse's age is known, and the third for spouses where the age of the primary is known. The age imputations were bounded at 100 years. Imputations were made to both spouses for joint returns with an unreasonable or inconsistent age value. Table 3.1 shows the number and percent of returns who were exactly matched or were imputed an age value.

TABLE 3.1

NUMBER OF RETURNS AND PEOPLE WITH AN IMPUTED AGE VALUE
(Percents In Parentheses)

	RETURNS		PEOPLE	
	Weighted Number (1000's)	Sample Number (Units)	Weighted Number (1000's)	Sample Number (Units)
Exactly Matched	110,192 (98.3)	108,411 (98.1)	158,365 (98.8)	181,207 (98.8)
With Missing Primary	284 (0.2)	190 (0.2)	284 (0.2)	190 (0.2)
With Missing Spouse (Married only)	1,210 (1.1)	1,429 (1.3)	1,210 (0.8)	1,429 (0.8)
With Missing Both (Married only)	9 (0.0)	35 (0.0)	18 (0.0)	70 (0.0)
With erroneous value	441 (0.4)	501 (0.5)	441 (0.3)	501 (0.3)

3.5 THE STATISTICAL MATCH TO CPS RECORDS

3.5.1 INTRODUCTION

The 1989 MATCH database was created using a constrained statistical match between the 1989 Base file and the March Supplement to the 1990 Current Population Survey (CPS) sample. The result of the match is a database of 252,077 returns that contains both the tax data from the 1989 Individual SOI and transfer income and demographic data from the CPS sample. The data can be processed on a tax return basis or a family basis. This discussion is intended to provide the reader with an overview of the matching methodology.[3]

3. The more interested reader is referred to the following papers for a theoretical discussion of the merge methodology.

3.5.2 PROBLEM DESCRIPTION

The Tax Model's Base file and the CPS file were merged using a constrained match. A constrained match attempts to attach all of the records in one file (A) to all of the records in another file (B) while minimizing some distance or cost function. By exhausting all of the records in both file A and file B, the population estimates of both files will be preserved in the merged file. Mathematically, this problem can be represented as minimizing

$$\sum_{i}^{m} \sum_{j}^{n} c_{ij}x_{ij} \tag{3.1}$$

subject to

$$\sum_{j}^{n} x_{ij} = a_i, \text{ for } i=1,2,\ldots,m \tag{3.2}$$

$$\sum_{i}^{m} x_{ij} = b_j, \text{ for } j=1,2,\ldots,n \tag{3.3}$$

and

$$x_{ij} \geq 0, \text{ for all } i \text{ and } j, \tag{3.4}$$

(Footnote 3 continued from previous page)
J. S. Turner and R. Barr, "A New Linear Programming Approach to Microdata File Merging", 1978 Compendium of Tax Research, OTA.

J. Kadane, "Statistical Problems in Merged Data Files" 1978 Compendium of Tax Research, OTA.

where:

$$x_{ij} = \begin{cases} \geq 1 & \text{if the i-th record in A is matched with the j-th record in B} \\ 0, & \text{otherwise} \end{cases}$$

$c_{ij} = F(p_{i1}, p_{i2}, \cdots, p_{ir}, q_{i1}, q_{i2}, \cdots, q_{ir})$,

$p_{ik} \equiv$ value of the k-th common data item in record i of file A,

$q_{ik} \equiv$ value of the k-th common data item in record i of file B,

$a_i =$ weight of the i-th record in file A,

$b_i =$ weight of the i-th record in file B, and

$$\sum_{i}^{m} a_i = \sum_{j}^{n} b_j. \qquad (3.5)$$

In this formulation, the constrained match problem becomes the classic incapacitated transportation model. This allows the problem to be solved using the more efficient network optimization algorithms, rather than generalized linear programming methods.

In this matching formulation, if an observation is matched to only one record, it keeps its original weight. If it is matched to more than one record, a splitting process occurs and the combined weights equals the original weight. For example, a record on the CPS file with a weight of 15,000 could be split into two identical records and matched to two SOI records with weights of 10,000 and 5,000. The CPS observation is matched to more than one record, but its weight in the match is constrained to remain constant.

3.5.3 MATCH PREPARATION

Before merging the Base file to the CPS file, the CPS file required a substantial amount of pre-processing. Specifically, tax filing units were constructed from CPS records. For example, joint tax records were created out of married couples living in the same CPS household. Particular care was taken to determine which members of a CPS household could be claimed as dependents by the head of the household (non-heads were not allowed to claim

dependents). Next, adjusted gross income was created out of the taxable income components shown on the CPS file. A tax calculator was constructed for the CPS file in order to determine the tax status (taxable or non-taxable) of each constructed CPS return.

Once the tax and filing status of the CPS records had been determined, the SOI and CPS were divided into nine separate groups consisting of seventeen partitions with approximately equal numbers of weighted Base file and CPS records. The nine groups were based on filing status (joint versus non-joint), the presence of wage income for both the primary and secondary, and the presence of children.

Finally, two residual groups were created containing those Base file and CPS records that would not be matched. The 894 Base file records for taxpayers under sixteen years of age were placed in one partition as the CPS does not survey individuals younger than sixteen. The other partition contained those CPS records left over after the seventeen partitions were created. The records in this partition represent potential filers within the non-institutional, non-filing U.S. population 16 years of age and older.

3.5.4 PENALTY FUNCTION

In general, the penalty function used the weighted sum of the absolute differences between the two records to determine the penalty. The penalty function was designed to give heavier emphasis to differences in demographic rather than income variables. The attributes employed to determine the value of the penalty function c_{ij} specified in equation 3.1 are listed below.

- Age of Primary Taxpayer,
- Age of Spouse,
- Number of children at home,
- Head of Household status,
- Presence of non-farm business income,
- Presence of farm business income,
- Presence of taxable interest income,
- Presence of dividend income,
- Presence of rental income,
- Presence of pension income,
- Presence of taxable Social Security income,
- Level of wage income,
- Level of total income (AGI).

3.5.5 POST-MATCH PROCESSING AND CREATING FAMILY UNITS

After running the match program on the seventeen partitions, the partitions were linked together and the CPS information was used to create family units for the Match file. Specifically, the household structure of the CPS file was used to create families for the Base file records that were matched to the CPS records. For example, if the CPS contained a couple filing jointly with a child that also filed, then the Base file records linked to these two CPS returns were made into a family unit. A family is simply the series of tax unit records within a family placed sequentially on the file. Further, all records within a family were constrained to have the same weight.

3.5.5.1 Assigning Filers Under the Age of 16 to Families

The next step was to add the 894 Base file returns under the age of 16 to families on the Match file. These returns were divided into two groups based on the presence of Form 8615. Form 8615 is used to calculate tax liabilities for children filers under the age of 15 with unearned income. Form 8615 provides tax information about the parent, including the parent's marital status, number of exemptions claimed, and taxable income.

Form 8615 filers were statistically matched to adult, family heads with excess at-home child exemptions. Excess exemptions are calculated as total at-home child exemptions less the number of dependent returns linked to the parent return via the matching process. Potential "parents" were placed into one of 24 cells based on filing status and number of exemptions. Within each cell, a search algorithm compared the taxable income of each potential parent with taxable income value from Form 8615; the closest available value defined a match. The child's weight became the weight of the parent. If the child's original weight was greater than the matching parent's weight, then the process was repeated until the child's original weight was fully assigned. Note that a potential parent record could be matched only once. Further, the matching cells were expanded as parent's returns were depleted. Thus, a child return may have been split several times and linked to multiple parent returns. Finally, the child's record was written after the last return in the family.

Next, Non-8615 filers were matched to a parent return. The same general methodology was used under the initial assumption that the parent filed a joint return and had a taxable income twice the amount of a child.

3.5.5.2 Non-Filing Population

The CPS records in the residual partition (i.e., those records which were not linked to a tax return) were classified as the non-filing population. The non-filing population with few exceptions consists of potential tax returns with little or no adjusted gross income as defined by the 1989 tax code. Two additional operations were performed on these non-filing returns. First, several SOI fields were filled based on the return's CPS information. For example, the SOI state code was determined from the CPS state code. Base file income fields were filled using similar CPS income fields and subject to a further constraint that the Model's tax calculator would not generate a positive tax liability or positive earned income credit. Second, itemized deduction expenses were imputed to non-filers using roughly the same methodology as used for the filing population.

3.5.6 SIZE OF THE MATCH FILE

Since different sampling procedures were used to select the SOI and the CPS sample, the files have different numbers of records. As a consequence, record splitting is required for the Match file to be statistically consistent with each of the files from which it came. Record splitting means that an income tax record may be matched to more than one CPS record and vice versa, with the weights adjusted accordingly. The result is a growth in the number of records on the sample. Table 3.2 presents a final accounting of the number of returns, both weighted and unweighted, as well as the number of family heads on the Match file.

As mentioned in Chapter 2, most of the information obtained from the statistical match is contained on the CPS companion file. The record layout in Section 2.9 presents the CPS information obtained from the match. The Match file has the same record layout as the SOI Base file except that the Match file has eight additional variables. The variables added by the matching procedure are as follows: 1) a integer CPS match weight 2) a CPS record identifier (a '0' in this field indicates that the return is a tax filer under the age of 16 and that no CPS record is matched to the return), 3) a CPS companion file sequence number, 4) the tax unit sequence number in the family (a '1' indicates a family head), 5) a flag indicating whether the tax unit filed a tax return in 1989 (a '1' denotes a tax filer), 6) a CPS dependent flag indicator, 7) the number of tax units in the family, and 8) the match file weight.

TABLE 3.2

WEIGHTED AND UNWEIGHTED NUMBER OF RETURNS ON THE MATCH FILE

Record Description	Sample Number (units)	Weighted Number (1000's)
Match of SOI & CPS records	223,193	110,342
Heads of families	163,512	88,061
Addition of Non-Filers	21,870	22,493
Heads of Families	11,973	17,339
Addition of Taxpayers Under Age 16	7,014	1,809
Total Number of Records	252,077	134,644
Heads of Families	175,485	105,400

3.6 THE STATISTICAL MATCH TO THE CONSUMER EXPENDITURE SURVEY

3.6.1 INTRODUCTION

Consumer expenditures were added to the SOI-CPS Match file via am unconstrained statistical match with a file from the Interview portion of the Consumer Expenditure Survey (CES). The CES is an on-going survey conducted by the Bureau of Labor Statistics. As part of the survey, selected families are interviewed every 3 months over and five consecutive quarters.[4]

3.6.2 PRE-MATCH PROCESSING

OTA created a file of 20,666 CES units. Each CES unit had four complete quarters of reported expenditures in any time between the first quarter of 1985 and the second quarter of 1990. The file was further divided into two sub-files. The first sub-file contained certain income and demographic information of each CES family. The second sub-file contained each family's

4. For a detailed description of the Consumer Expenditure Survey, see U.S. Department of Labor, Bureau of Labor Statistics, "Consumer Expenditure Survey, - Interview Survey."

reported consumption expenditures. Note that each specific CES consumption value was placed into one of 86 broadly defined consumption categories. Seventy-one of these categories could further be grouped into one of 21 categories defined in the National Income and Product Accounts (NIPA). A list of the 86 consumption categories is presented in the file's record layout shown in Section 2.9.

The next step was to prepare a regression equation which predicted "total" consumption using income and demographic variables. In particular, the regression predicted total consumption without expenditures on health, rent for housing, and the 14 non-targeted CES items listed in Section 2.9 This latter group includes mortgage payments, finance charges, property taxes, life insurance, and certain other odd miscellaneous expenses. The regression equation was applied to the SOI-CPS match file to obtain, for each family, estimated total consumption. Finally, a heteroskidasticity adjustment was applied to insure the distribution, by income class, of predicted consumption on the Match file equaled the same distribution on the CES file.

3.6.3 THE MATCHING TECHNIQUE AND POST-MATCH ADJUSTMENT

A cell-based matching technique (with automatic relaxation of cell boundaries) with a distance function was used to join the SOI-CPS Match file with the CES file. The distance function minimized the absolute difference between total CES consumption (defined above) and estimated consumption on the Match file.

The variables which defined the initial matching cells are:

- Marital status of family head (single or married),
- Housing tenure status (Own home outright, own with a mortgage, or renter),
- Employment status (employed or unemployed),
- Age of family head (within 5 years).
- Family size (within 2 persons).

Next, consumption values were adjusted, for each matched record, so that total consumption from CES variables equaled the predicted consumption amount. To the extent the matching penalty function was zero, no adjustment was necessary.

Finally the matched consumption values were blown up to hit NIPA aggregates. Admittedly, this will distort the covariance structure of the aggregate variables by a multiplicative constant. The covariance structure of the intra-aggregate detail will, however, be preserved.

3.7 THE CONSTRUCTION OF FAMILY ECONOMIC INCOME

The choice of a measure of income to distribute tax liability has been the topic of a lengthy and ongoing debate. Ultimately, the appropriate income measure depends on the question being asked. However, one measure which, economists generally agree, reflects economic well-being or command over resources is the Haig-Simons definition. Under the Haig-Simons definition, income is the amount that a family or individual consumes in a particular time period plus (or minus) the net increase (or decrease) in the value of their assets.

The Family Economic Income (FEI) measure developed by OTA attempts to capture the Haig-Simons definition of income and measures the total annual consumption plus change in real net worth for each family on the Tax Model's Match data file.[5] The following subsections provide a brief overview of the imputations to the Tax Model that enter into FEI.

3.7.1 NET RENT ON OWNER OCCUPIED HOUSING

The starting point for imputing net rent is to first impute housing values to families on the Tax Model. Based on an American Housing Survey (AHS)[6], the targeted number of housing units in 1989 was 59,916,000, with a total value of $6,355B.

In general, the Tax Model identifies home owners by the presence of a home mortgage interest expense or a property tax expense. A home value is imputed to owners based on a regression equation obtained from the Survey of Consumer Finance (SCF). Housing values were then scaled to hit the AHS total and distribution of home values.

A simple adjustment factor was then applied to home values to hit the target for gross imputed rent from owner occupied housing ($361.7B). This target comes directly from the National Income and Product Accounts accounts (NIPA). (The implied gross rental rate is therefore 5.7% of value.) Subtracted from gross rents are imputed amounts for repairs and maintenance costs,

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5. For a further description of the Haig-Simons definition of income or OTA's measure of FEI, see Nelson, Susan. "Family Economic Income and Other Income Concepts Used in Analyzing Tax Reform." In C.E. Steuerle and T. Neubig eds., Compendium of Tax Research, 1987. Office of Tax Analysis, 1987.

6. U.S. Department of Housing and Urban Development, "American Housing Survey for the United States in 1989."

insurance, and depreciation. Targets for these adjustments come from the AHS and a paper by Eric Weiss.[7] Finally, home mortgage interest expenses (except points) and property taxes are subtracted to obtain net rent.

3.7.2 CORPORATE INCOME AND CAPITAL GAINS FROM CORPORATE STOCK

Conceptually, corporate income in FEI is defined as total NIPA pre-tax corporate profits with inventory valuation adjustments and capital consumption allowances, less the following items:

1) Profits going to foreigners,
2) Income to the Federal Reserve and other Federally sponsored credit agencies,
3) Dividends paid to employer-sponsered retirement plans,
4) An inflation adjustment for interest income received less interest expenses paid,
5) Subchapter S corporate profits (which show up directly on individual income tax returns).

To avoid double counting of corporate profits, the following are subtract from AGI:

6) Dividends paid to individuals,
7) Capital gains on corporate stock by individuals.

The imputation for corporate income is based on two regression equations from the SCF. The first, a logit, predicts whether a return directly owns some corporate equity. (All returns with dividends are assumed to have some corporate equity.) The second equation predicts the value of corporate equity held by each equity owner. The predicted values are scaled to hit the overall distribution of corporate equity as shown on the SCF and the targeted value of corporate equity. A single rate of return hits the target amount of corporate income ($364B as provided by OTA's Individual Staff).

The next step was to impute corporate income going directly to individual retirement accounts (IRA+KEOGH). (The inside build-up of these accounts is also included in FEI.) Based on targets from OTA's Individual Staff, of the nearly $2000B of directly held corporate equity, $125B is held through IRA accounts. Based on information from the SCF, the percent of corporate equity held in IRA accounts was determined.

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7. Eric Weiss, "Imputed Rent on Owner Occupied Housing", Office of Economic Affairs, U.S. Department of Housing and Urban Development.

The imputation for capital gains from corporate stock was rolled over from OTA's 1985-based Tax Model (Version 11). Based on information from the 1985 SOCA file the imputation procedure allocated all capital gains and losses into stock and non-stock gains and losses. Only returns imputed to have corporate equity could have gains or losses from stock.

3.7.3 EARNINGS ON PENSIONS, LIFE INSURANCE, AND IRA ACCOUNTS

FEI includes separate imputations for the values of growth (earnings) from pension plan holdings, life insurance holdings and holding of individual retirement accounts (IRAs); OTA's Individual Staff provided all targets.

A flag from the CPS file identifies non-retired returns with a pension plan. Retired returns with a pension plan are simply identified by the presence of pension income. For non-retirees, pension holdings are calculated as function between current wages and age (life expectancy). A retiree's pension holding is determined by his age and his current pension benefits. A 5% real long-run rate of return was used to obtain the current year real earnings on pensions.

The imputation of the value of earnings on life-insurance holdings comes from the methodology and parameters used in Version 9 of the Tax Model. Returns were first randomly selected with the probability of being selected varying by age. Then, a holdings level dependent on current earnings and age was determined. Again, a 5% real long-run rate of return was used to obtain the current year real earnings on life insurance.

The imputation for inside build-up of non-corporate IRA accounts starts with a logit regression equation run on the SCF file. (Inside build-up on IRA accounts held in the form of corporate equity are included in the corporate earnings imputation described above.) The equation determines those returns that have non-corporate equity IRA accounts. (Any return with a current year IRA+KEOGH deduction or with a taxable IRA distribution must have an IRA account. Further, people over the age of 71 without a taxable IRA distribution cannot have an IRA account). Next, a non-corporate IRA-holdings level is imputed using the age and AGI of the return. The data source for this step is the SCF file. Finally, the assumed 5% real long-run rate of return is used to obtain the inside build-up.

The target for non-corporate IRA equity holdings is $376.6B going to 16,139,000 families. The target for corporate IRA equity is $125.4B going to 7,694,000 families. Target levels come from OTA's Individual Staff.

3.7.4 ACCRUALS ON NON-CORPORATE CAPITAL GAINS

FEI counts capital accruals rather than realizations. As mentioned earlier, capital gains are split into corporate stock gains and non-stock gains. For non-stock gains, the holding period is assumed to be two years; therefore accruals are 50% of realizations.

3.7.5 EMPLOYER CONTRIBUTIONS TO HEALTH INSURANCE AND PENSIONS

The imputation for employer contributions to health insurance is based on an unconstrained statistical match between the SOI-CPS Match file and the 1987 National Medical Expenditure Survey (NMES). Among other things, this survey contains employer contributions to health insurance.[8]

FEI also includes imputed values of employer contributions to retirement plans. From the CPS statistical match, persons with an employer-provided retirement plan, by industry, are identified. Then, an average industry contribution rate is applied to the wages of each identified person.[9] Finally, contributions are scaled to hit the target of $119B. The target comes from OTA's Individual Staff.

3.7.6 MILITARY BENEFITS

The first step in imputing military benefits is to identify those returns in the military. In 1989, the total armed forces population was 2,210,000, of which 522,000 were stationed overseas.[10]

The procedure first identified the population of tax returns with a foreign address and with wages between $3000 and $100,000 and self-employed earnings under $2500. The targeted 522,000 returns were randomly chosen from this population, by age and filing status class. These returns are assumed to be military personnel living overseas.

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8. A discription of the match is forthcoming.

9. Pension participation rates by industry come U.S. Chamber of Commerce, Employee Benefits 1982.

10. Bureau of the Census, "U.S. Population Estimates by Age, Sex, Race and Hispanic Origin", Current Population Reports, Series P-25, No. 1057.

Bureau of the Census, "Population Profile of the United States, 1991", Current Population Reports, Series P-23, No. 173.

Among the returns with a U.S. address, the procedure excluded all persons that: a) were not covered by CHAMPUS health insurance, b) were dependent on another tax return, c) had pension or Social Security income, d) had wages less than $3000 or greater than $100,000 (the base pay of a private in 1989 is $9387), e) had earned business income greater than $2500, and f) had a foreign earned income exclusion or a foreign tax credit. After all of these exclusions, the potential military population was still too high, primarily by people over the age of 45. (The assumptions probably did not adequately screen military retirees.) Returns were randomly excluded, by age and earnings class, until target population was achieved.

Untaxed military benefits consist of 3 components: housing allowances, subsistence allowances, and other allowances. The dollar target for military allowances is $13.0B. The target comes from OTA's Revenue Estimating Staff and is used in tax expenditure estimates. The imputation procedure developed for Version 9 of the Tax Model was used to allocate benefits to military personnel.[11] To impute housing allowances, people in the military are randomly selected, with the probability of being selected varying by level of basic pay (own wage class) and marital status. Selected individuals were imputed mean levels. Subsistence allowances were imputed using the same methodology, except that the selection probabilities did not vary by marital status. Other allowances are given to all military persons meeting certain requirements.

3.7.7 OWN TAX DEFERRED RETIREMENT INCOME

The amount of own tax-deferred contributions to a retirement plan (e.g., a 401k or 403b) can be exactly determined for most returns on the Tax Model. This information is obtained though an exact match with a W-2 Information Returns file. A description of this match is presented in Section 3.3.1. Among other things, this file contains a) wages in AGI which do not include tax-deferred contributions, and b) wages for FICA purposes which contain tax deferred contributions. The difference between the two wage values is tax deferred income.

This procedure only works for persons with wages below the Social Security earnings cap ($48,000 in 1989); an imputation procedure is needed for returns above the cap. For these returns, a hotdeck procedure was employed under the assumption that the persons above the cap contribute to tax-deferred

11. See DeSeve Economics, The Methodology and Development of a Data Base for Analytical Tax Studies, Task #2, Volume two, (Unpublished report).

retirement plans at the same rate as persons with the same age and filing status class with wages between $30,000 and $48,000. Total contributions were further constrained to be less than the maximum allowed contribution of $7600.

3.7.8 SOCIAL SECURITY (AND RAILROAD RETIREMENT) BENEFITS

The 1989 target amount of Social Security benefits on the Tax Model is $225.8B. This reflects adjustments for benefits going to two groups of persons not in the Tax Model's population base: children under age 15 and the institutional non-filing elderly population. The number of people receiving Social Security benefits, by age class, is also targeted.[12]

Social Security on the Tax Model comes from three data sources. The first is the 1989 SOI file. Above a certain threshold, a return's Social Security benefits are included in AGI, and are therefore reported his tax return. For returns with incomes below the threshold, reporting of Social Security benefits is not required. The thresholds are $25,000 for single and head-of-household files, and $32,000 for joint filers.

The second source is an exact match between the 1989 SOI and a file of SSA-1099 and RRB-1099 Information Returns. This match is described in Section 3.3.4.

Finally, some of the Tax Model's Social Security benefits information comes from the CPS statistical match. Benefits going to non-filers are generally unadjusted CPS values. The combined number of beneficiaries and the dollar benefit amounts from non-filers with benefits plus filers with SOI or SSA-1099 benefits information were substantially short of the Social Security targets. Filers with CPS benefits information only were randomly selected, by age class, so that the target for the number of beneficiaries was achieved. Next, benefits for these returns were constrained to be consistent with the Social Security earnings test. Finally, the benefit amounts for these returns were scaled so that the overall target for total benefits received was achieved.

3.7.9 NON-TAXED TRANSFERS EXCEPT SOCIAL SECURITY

Targets for non-taxed transfers are obtained from OTA's Individual Staff. The data source for all non-taxed transfers is the CPS file. Non-taxed transfers in FEI consist of:

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12. Social Security Administration, Social Security Bulletin, Annual Statistical Supplement, 1991.

1) Supplemental Security Income (SSI),
2) Aid to Families With Dependent Children (AFDC),
3) General Assistance (GA),
4) Veterans Compensation except medical and educational assistance (VETB),
5) Non-Medical Workers Compensation (WKMAN),
6) Food Stamps,
7) Low Income Home Energy Assistance Program (LIHEAP),
8) Other Support (including Child Support).

The target for SSI in 1989 is $15.0B with an average benefit of $3261 per person. Unadjusted SSI benefits on the CPS file total $10.8B with an average of $2981. All SSI values were first adjusted by the average amount of under-reporting. Next, the imputation procedure divided returns into several classes based on the presence of wages, age class, and family size class. The procedure then determined the percent of CPS returns within each class having SSI benefits. Returns were randomly selected, based on these percentages, to receive SSI benefits. A hotdeck imputation procedure was used to assign a dollar level of benefits.

The target for AFDC in 1989 is $17.7B going to 6,042,000 families. Unadjusted AFDC benefits on the CPS file total $12,4B going to 3,451,000 families. All AFDC values were first adjusted by the average amount of under-reporting. Next, the imputation procedure divided returns into several classes based on the presence of wages, age class, and the number of dependents class. The procedure then determined the percent of CPS returns within each class having AFDC benefits. Returns were randomly selected, based on these percentages, to receive AFDC benefits. A hotdeck imputation procedure was used to assign a dollar level of benefits.

The target for GA in 1989 is $2.8B going to 1,457,000 families. Unadjusted GA benefits on the CPS file total $2.2B going to 1,079,00 families. All GA values were first adjusted by the average amount of over-reporting. Next, the imputation procedure divided returns into several classes based on the presence of wages, age class, and family size class. The procedure then determined the percent of CPS returns within each class having GA benefits. Returns were randomly selected, based on these percentages, to receive GA benefits. A hotdeck imputation procedure was used to assign a dollar level of benefits.

The target for VETB in 1989 is $15.4B going to 3,725,000 persons. Unadjusted VETB benefits on the CPS file total $9.5B going to 2,577,000 persons. All VETB values were first adjusted by the average amount of under-reporting. Next, the imputation procedure divided returns into several classes based on filing status, age class, and AGI class. The procedure then determined

the percent of CPS returns within each class having VETB benefits. Returns were randomly selected, based on these percentages, to receive VETB benefits. A hotdeck imputation procedure was used to assign a dollar level of benefits.

The target for WKMAN in 1989 is $20.9B. However, good data are not available on the number of WKMAN recipients. However, the imputation methodology assumed that the propensity to under-report WKMAN is identical to the propensity to under-report VETB. All WKMAN values were first adjusted by the average amount of under-reporting of VETB. Next, the imputation procedure divided returns into several classes based on the presence of wages, age class, and AGI class. The procedure then determined the percent of CPS returns within each class having WKMAN benefits. Returns were randomly selected, based on these percentages, to receive WKMAN benefits. A hotdeck imputation procedure was used to assign a dollar level of benefits; just enough returns were chosen to hit the dollar target.

The target for Food Stamps in 1989 is $12.3B. Unadjusted Food Stamp benefits on the CPS file total $10.5B. Since the CPS value is close to the target, only a factor adjustment was made.

The target for LIHEAP in 1989 is $1.4B going to 6,484,000 families. Unadjusted LIHEAP benefits on the CPS file total $.8B going to 3,846,000 families. All LIHEAP values were first adjusted by the average amount of under-reporting. Next, the imputation procedure divided returns into several classes based on the presence of wages, age class, AGI class and family size class. The procedure then determined the percent of CPS returns within each class having LIHEAP benefits. Returns were randomly selected, based on these percentages, to receive LIHEAP benefits. A hotdeck imputation procedure was used to assign a dollar level of benefits.

Other support in FEI comes directly from the CPS file without adjustment.

3.7.10 UNDER/NON REPORTED TAXABLE INCOME

The IRS estimates, in its 1988 tax gap study based on Taxpayer Compliance Measurement Program (TCMP) data, that filers failed to correctly report $280B of income.[13] The imputation is based on a regression equation estimated on the 1985 TCMP file. The equation predicted under-reported income as a percent of total reported income.

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13. Internal Revenue Service, Research Division, Income Tax Compliance Research: Supporting Appendices to Publication 7285. Publication 1415, 1988.

3.7.11 ECONOMIC DEPRECIATION

Economic depreciation is assumed to be 15% higher than tax depreciation. Total depreciation reported on Form 4562 was simply multiplied by 15% to obtain the FEI adjustment. FEI also includes an adjustment for depreciation expenses by partnerships and S-Corporations. The partnership file is used to determine the average amount of depreciation as a percent of net income. Similarly, OTA's corporate tax file is used to determine the same statistic for S-Corporations.

3.7.12 REAL INTEREST PAID AND RECEIVED

FEI only includes real (long run) interest earned and only allows real interest paid. The assumed nominal rate for interest received is a 3-year securities rate of 9.6%. The assumed rate for interest paid is the prime plus one point or 11%. The assumed long run real interest rate for individuals is 3%. (Inside build-up on pensions gets a higher rate of return because of risk pooling, economies of scale, etc.)

The individual SOI file contains nearly all interest received, including tax exempt interest, and most interest paid including home mortgage interest, consumer interest, and investment interest expenses. As discussed in section 3.2, certain interest expenses were imputed to non-itemizers. Further, interest expenses to returns with partnership income and SBC income were imputed using the same methodology as the imputations for depreciation expenses.

3.7.13 CURRENT YEAR DISSALLOWED PASSIVE LOSSES

FEI fully includes disallowed current year passive losses. Disallowed passive losses are calculated using The Tax Model's FORM8582 subroutine. This subroutine simulates Form 8582 and estimates total and current year disallowed passive losses.

3.7.14 SUMMARY OF FAMILY ECONOMIC INCOME

Table 3.3 summarizes the construction of FEI for 1989.

TABLE 3.3

THE CONSTRUCTION OF ECONOMIC INCOME ON THE TAX MODEL
(Values are Millions of Dollars at 1989 Levels)

VARIABLE	AMOUNT	Source
Starting from 1989 Adjusted Gross Income		
AGI of filers	3,256,782	Tax returns
AGI of non-filers	29,730	CPS File
Adjustments From Total Income To AGI		
+ IRAs+KEOGH	17,157	Tax returns
+ Interest Penalty + other adjustments	1,571	Tax returns
Other AGI adjustments		
+ Foreign earned income exclusion	7,241	Tax returns
+ Net operating loss carryover	31,962	Tax returns
- Disallowed CY passive losses	-19,636	See 3.7.13
- Employee business expenses	-5,681	Tax returns
- Moving expenses	-3,952	Tax returns
Non-taxed or partially taxed income		
+ Tax exempt interest	37,495	Tax returns
+ Untaxed pensions	48,901	Tax returns
+ Selected AMT preferences	3,379	Tax returns
Non-taxed Transfers		
+ Untaxed Social Security	208,585	See 3.7.8
+ Food stamps	12,300	See 3.7.9
+ Home energy assistance	1,398	" "
+ AFDC	17,766	" "
+ General assistance	2,805	" "
+ Supplemental Security income	14,997	" "
+ Veterans compensation	15,400	" "
+ Workers compensation	20,903	" "
+ Other support	16,881	" "
Employer provided benefit programs		
+ Military benefits	12,948	Military impt
+ Employer contributions to pensions	119,001	EC impts
+ Employer contributions to health	126,116	EC impts
+ Own tax deferred compensation	31,287	Own-401k impt

Corporate economic income and net capital gains		
+ Adjusted corporate profits	362,799	Corp inc impt
- Dividends received	-83,092	Tax returns
+ Non-stock gains accruals	18,363	Cap gain impt
- Capital gains in AGI	-146,155	Tax returns
Inside buildup of retirement accounts		
+ Real earnings on pensions	135,650	impt
+ Real earnings on IRA holdings	19,231	impt
+ Real earnings on life insurance	23,944	impt
Adjustments for economic depreciation		
+ Economic depreciation	19,205	15%*Tax Dep
Adjustments for real interest paid/received		
+ Real interest paid adjustment	123,587	impt
- Real interest received adjustment	-83,521	impt
Real net rent on owner occupied housing		
+ Net rent	28,715	impt
Under-Reported Income		
+ Under reported income	275,074	impt
Equals		
Family economic income	4,699,137	

Chapter 4

EXTRAPOLATION

4.1 INTRODUCTION

In order to accurately forecast the effects of proposed changes in the tax code, the Individual Tax Model must be "aged" or extrapolated to the future years that analysts are concerned about. Currently, OTA generates an extrapolated database for every year in the budget forecast (1990 through 1998). Each extrapolated database can vary based on different economic growth assumptions. OTA currently maintains three extrapolation scenarios.

Under normal circumstances, OTA conducts two major budget exercises per year: the Administration (or January) Budget and the Midsession Review. Each budget's window is generally six years including the current fiscal year. The Office of Management and Budget (OMB) provides OTA with an economic forecast of income levels, employment, inflation levels, interest rates, and other important economic variables. The Tax Model's data base is extrapolated during each budget exercise based on these forecasts.

The extrapolation process consists of two stages. The first stage is designed to reflect per-capita real and inflationary growth, and is accomplished by imposing growth factors on each dollar item in the data base. The second stage reflects more complicated trends and is achieved by adjusting the weights of each return (or family in the case of the Match file) to hit target amounts for a selected set of variables. The net effect of this process ensures that the Tax Model's extrapolated data base is consistent with forecasted aggregate economic measures such as national income, inflation, and population.

The following sections describe the extrapolation process in more detail. The next two sections describe Stage I and Stage II of the extrapolation procedure, respectively. This is followed by a discussion of the special capital gains adjustments within the extrapolation. The final section describes the operational procedures of extrapolating the Tax Model's data files during a normal Tax Model simulation.

4.2 STAGE I EXTRAPOLATION

The first step in the extrapolation process is designed to adjust the income variables on the database for per-capita growth. This is accomplished by multiplying the various income, deduction, and credit items on each return by factors based on per-capita growth rates estimated from economic forecasts for the Federal Budget and from National Income and Product Account forecasts. For example, if average wage income is expected to grow by 10%, then wage income is increased by 10% for all returns with wages. Each dollar value on the data file may be adjusted by one of 25 growth factors. The Revenue Estimating Division of OTA produces the growth factors presented in Table 4.1.[1]

After the dollar items are adjusted by their per-capita growth factors, a second routine recalculates the Tax Model's endogenous variables. These variables are transformations or combinations of other variables. The recalculation insures that each record is internally consistent. For example, the individual interest expense deductions items are adjusted by the growth factors INTEXP and HOMEI (see Table 4.1). The variable for total interest expense is then recalculated as the sum of the individual interest expense items.

4.3 STAGE II EXTRAPOLATION

The purpose of the second stage of the extrapolation is to change the sample weights so that all income and demographic targets are simultaneously achieved. A list of the targeted variables is found in Table 4.2. These targets, chosen by OTA, are those variables most likely to have an impact on revenue estimates. Values for the targets are determined by the Revenue Estimating Staff.

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1. For additional documentation on the methodology for determining growth factors and targets, see "The Individual Receipts Model", Office of Tax analysis, 1993.

TABLE 4.1

GROWTH FACTORS USED IN STAGE I OF THE EXTRAPOLATION PROCESS

Growth Factor Name	Description
CPI	Consumer Price Index
GNP	Gross National Product Deflator
WAGE	Wage Income
INTER	Interest Income
DIV	Dividend Income
NFBUSI	Non-farm Business Income
FBUSI	Farm Business Income
PARTG	Net Partnership Gains
PARTL	Net Partnership Losses
LCAPGL	Long Term Capital Gain or Loss
SCAPGL	Short Term Capital Gain or Loss
PENS	Pension Income
SOCSEC	Social Security
G401	Deferred Pension Annuities (401(k)s)
MED	Medical Expenses
INTEXP	Interest Expenses (except mortgages)
HOMEI	Home Mortgage Expenses
SLTAX	State and Local Tax Expenses
RENTG	Rental Income
RENTL	Rental Losses
BUSCR	Business Credits
PREF	Alternative Minimum Tax Preference Items
TAXGR	Non-Income Federal Taxes
NOGROW	A No-growth Factor (1.0)
ZIP	A Zero Factor (field is made zero)

TABLE 4.2

STAGE II EXTRAPOLATION TARGETS

Modified AGI		<	0		
Modified AGI	0	<	5,000		
Modified AGI	5,000	<	10,000		
Modified AGI	10,000	<	20,000		
Modified AGI	20,000	<	30,000		
Modified AGI	30,000	<	50,000		
Modified AGI	50,000	<	75,000		
Modified AGI	75,000	<	100,000		
Modified AGI	100,000	<	200,000		
Modified AGI		>	200,000		
Number of Single Filers					
Number of Joint Filers					
Number of Married Filing Separate Filers					
Number of Head of Household Filers					
Number of Dependent Exemptions					
Number of Aged Taxpayers (age 65 or over)					
Wages and Salaries					
Dividends Included In AGI					
Interest Included In AGI					
Pensions Included In AGI					
Total Unemployment Compensation					
Social Security Included In AGI					
Sole Proprietor Income					
Partnership Net Income					
Partnership Net Losses					
Rent Net Income					
Rent Net Losses					
Farm Net Income					
Farm Net Losses					
Positive Net Capital Gains, by Mod. AGI				<	0
Positive Net Capital Gains, by Mod. AGI	0	<	20,000		
Positive Net Capital Gains, by Mod. AGI	20,000	<	100,000		
Positive Net Capital Gains, by Mod. AGI				>	100,000
Number of Millionaires					

4.3.1 CHOOSING THE INCOME CLASSIFIER

One important set of targets is the total levels of income by income class (e.g., the distribution of income). OTA targets the distribution of a Modified AGI, a "constant law" income concept. Modified AGI is defined as:

Adjusted gross income (AGI)
less capital gains in AGI
less Social Security in AGI
less negative rental income
plus non-taxed pension income
plus IRA deductions
less disallowed passive losses

equals Modified AGI

Modified AGI rather than AGI as the income distributor has several advantages. First, OTA constructed a historical series that is consistently defined over time.[2] This is particularly important since the Revenue Estimating staff relies on regression equations to forecast the income distribution and other targets. Second, with the removal of capital gains, OTA research has shown that Modified AGI is relatively stable over time. Third, expected changes in the tax base due to law changes can be ignored.

4.3.2 CHOOSING OTHER TARGETS

The choice of the items to target is of considerable interest to OTA. Table 4.2 shows, in addition to the 10 Modified AGI targets, 17 separate income targets and 6 purely demographic targets. Additional or alternative targets are possible. However, OTA research has shown that adding additional targets does not necessarily improve the extrapolation. Also, adding more targets eventually leads to nonconvergence of the extrapolation routines.[3]

In the current version of the Tax Model, OTA did add a new constraint to the extrapolation algorithm. Recent tax initiatives are being designed to increase income taxes on returns with extremely high incomes, often over $1 million. In

2. It is impossible to create a pure constant law definition of income using tax data alone. However, Modified AGI adjusts for the most important changes to AGI since 1979.

3. Robert Gillette, "Measures of Goodness of Fit for Extrapolations: Initial Results Using the Individual Tax Model Data Base." OTA Papers no. 62, 1989.

general, OTA expects that high income returns will be particularly important in future policy analyses. Further, the incomes going to extremely high income returns were not overly stable in extrapolations.

Two adjustments were therefore made to the extrapolation programs. First, OTA added a target of the number of millionaires. Second, all returns with weights less than 5.2 are not adjusted by the extrapolation's Stage II. Instead, only the Stage I blowup factors are applied. The targets are then adjusted downward by the amount these returns contribute to the overall target. The average AGI by these returns in 1989 Base file is $2.2 million. Research by OTA indicated that the 5.2 cutoff was sufficient to keep the level of income by millionaires stable, and let the Stage II routines hit the $200,000 and over Modified AGI target.

4.3.3 THE CONVERGENCE ALGORITHM

There is no unique solution to the problem of adjusting the weights to hit the thirty-four targets listed in Table 4.2. In the case of the Base file, the problem amounts to solving thirty-four linear equations in 110,566 variables. Clearly, some criterion must be developed for choosing one of the many solutions. The criterion used by OTA is stated in terms of an objective function, whose arguments include the new sample weights. Simply stated, the new weights are chosen to hit the targets while minimizing the objective function.

The convergence algorithm is summarized as follows. Let the adjusted targets be represented by t(j) (j=1,...,N), where N is the number of targets. For each i-th return, let w(i) be the original sample weight, let s(i,j) be the amount of the j-th targeted item on the i-th return and let (x(i)*w(i)) be the new weight. Thus, x is the ratio of the new weight to the old weight.

The problem is to minimize, by choosing the x(i)'s, the objective function,

$$\sum_i w(i)*\Phi(x(i)) \qquad (4.1)$$

subject to the constraints

$$\sum_i x(i)*w(i)*s(i,j) = t(j) \qquad (4.2)$$

for each target t(j) (j=1,...,N). This is achieved by introducing Lagrange multipliers $\lambda(j)$ (j=1,...,N) and seeking an extremum for the Lagrangian.

$$P = \sum_i w(i)*\Phi(x(i)) - \sum_j \lambda(j)*(z) \qquad (4.3)$$

where:

$$z = \sum_i \left[x(i)*w(i)*s(i,j) \right] - t(j)$$

the partial derivatives of P are:

$$\partial P/\partial \lambda(j) = \sum_i \left[x(i)*w(i)*s(i,j) - t(j) \right] \quad \text{(for each j)} \qquad (4.4)$$

$$\partial P/\partial x(i) = w(i)*(\Phi'(x(i)) - \sum_j \lambda(j)*w(i)*s(i,j)) \qquad (4.5)$$

(for each j).

Setting these equal to zero gives a set of simultaneous nonlinear equations, one for each target and one for each return, which can be solved for the x(i)'s and $\lambda(j)$'s. The first step in the solution is to use the group of equations labeled (4.2) to express the x(i)'s in terms of the $\lambda(j)$'s. For each i:

$$\partial P/\partial x(i) = w(i)*\left[\Phi'(x(i)) - \sum_j \lambda(j)*s(i,j) \right] \qquad (4.6)$$

Setting the partial equal to zero implies:

$$\Phi'(x(i)) - \sum_j \lambda(j)*s(i,j)) = 0 \qquad (4.7)$$

$$x(i) = (\Phi')^{-1} * \left[\sum_{j} \lambda(j) * s(i,j) \right] \qquad (4.8)$$

Setting the partials in equations (4.4) and (4.5) equal to zero and substituting the above values for the x(i)'s results in:

$$\sum_{i} \left((\Phi')^{-1} * \left[\sum_{j} \lambda(j) * s(i,j) \right] * w(i) * s(i,j) \right) - t(j) = 0 \qquad (4.9)$$

(for each j).

This is a set of n equations which can be solve for $\lambda(j)$ (j=1,...,N). Then the x(i)'s from equation (4.8) can be determined.

The following distortion function was chosen for Φ.

$$\Phi(x) = x^4 + x^4 - 2 \qquad (4.10)$$

This choice is arbitrary and can only be justified by the results and by these desirable features:

$$\Phi(1) = 0 \qquad (4.11)$$

(so there is no distortion when the weight is not changed),

$$\lim_{x \to 0} \Phi(x) = \lim_{x \to +\infty} \Phi(x) = +\infty \qquad (4.12)$$

(so weights too far from 1 are not tolerated), and

$$\Phi(x) = \Phi(1/x) \qquad (4.13)$$

(i.e., it is as distorting to multiply a weight by 4 as to divide it by 4).

Any function having these properties must be of the form:

$$\sum_{i} B(i)(x^i + x^{-i} - 2) \qquad (4.14)$$

It was decided to choose B(4)=1 and all other B(i)=0.

Unfortunately the system (4.9) is, in general, nonlinear and cannot be solved explicitly. For the particular choice of Φ in equation (4.10), the system cannot even be written explicitly, as $(\Phi')^{-1}$ cannot be expressed in terms of simple functions. Still,

OTA has written a fairly general algorithm for calculating numeric solutions to system specified in (4.9). The user specifies the function Φ, whereupon the machine constructs tables of values for Φ, Φ', and $(\Phi')^{-1}$. Any further reference to Φ is interpreted in terms of the table of values.

The algorithm begins with a set of initial guesses for the $\lambda(j)$'s. These may be input by the user, if for example, a nearly identical system has been solved previously. Otherwise, the initial value of each $\lambda(j)$ is 1.0. Then the left sides of the equations in (4.9) are computed, which requires one pass through the file of returns. At the same time, the Jacobian matrix is computed (which shows the effects of small changes in the $\lambda(j)$'s on the values of the left sides of the equations). With this information it is possible to select an improved guess for the $\lambda(j)$'s for use in the next pass. Normally, five to ten iterations will be sufficient to enable the algorithm to converge on the targets within the limit of accuracy of the computer.

The process of convergence is interesting to follow, since the left sides of the equations in (4.9) represent the amounts by which the targets will be missed if the process is stopped with the current values of the $\lambda(j)$'s. Thus, while the $\lambda(j)$'s converge on their correct values, one can watch the entire file converge on its targets. So far, the extrapolation procedure has not encountered convergence problems of any sort. In general, if convergence problems are encountered in applying the algorithm, it is probably better to select more reasonable targets than to use a more powerful solution procedure.

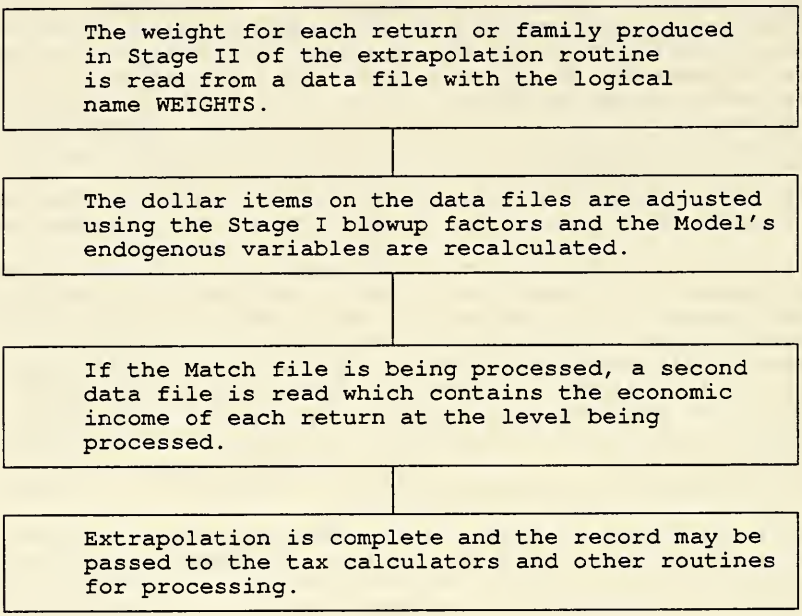
The final output of Stage II is a data file that contains a new family weight for each family head on the Match file or a new return weight for each record on the Base file. A different file is created for each extrapolation year and for each extrapolation scenario.

4.4 RUNNING AN EXTRAPOLATION ON THE TAX MODEL

The extrapolation procedures have been automated and are automatically executed whenever a simulation uses the Match file and the NLEV variable on the $SAMPLE image is set to a value greater than 1989 (see Section 6.2.2). The economic assumptions used in the extrapolation are set in the SCENARIO command procedure (see Section 8.2.3). An example of a Tax Model run using extrapolated data can be found in Section 9.6. Figure 4.1 below summarizes the process of extrapolating the Tax Model's data.

FIGURE 4.1

EXTRAPOLATION PROCESS DURING A NORMAL TAX MODEL SIMULATION


The weight for each return or family produced in Stage II of the extrapolation routine is read from a data file with the logical name WEIGHTS.
The dollar items on the data files are adjusted using the Stage I blowup factors and the Model's endogenous variables are recalculated.
If the Match file is being processed, a second data file is read which contains the economic income of each return at the level being processed.
Extrapolation is complete and the record may be passed to the tax calculators and other routines for processing.

4.5 THE SPECIAL CAPITAL GAINS ADJUSTMENT

In recent years, OTA and other organizations have devoted a considerable amount of research on capital gains realization behavior in light of changing marginal tax rates.[4] In light of this research, OTA has developed a behavioral adjustment module. The module, incorporated into the Tax Model, captures the taxpayers' behavioral responses to changing Federal marginal tax rates on long term capital gains. The following formula generally describes the induced realizations.

$$I_i = (e^{-ALPHA*(MTRT_i - MTRP_i)}) * LTG_i \qquad (4.15)$$

where:

- I_i = The induced realizations for taxpayer i.
- $MTRT_i$ = Marginal tax rate on long-term gains under current or other base law (usually Plan X) for taxpayer i.
- $MTRP_i$ = Marginal tax rate on long-term gains under the proposed law (usually Plan Y) law for taxpayer i.
- LTG_i = Base amount of long-term capital gains realizations for taxpayer i.
- ALPHA = A factor to generate appropriate changes of long term gains with respect to changes in tax rates. Values for ALPHA were provided by members of the Revenue Estimating and Individual Taxation staffs of OTA.

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4. For example, see the following papers.

Congressional Budget Office, How Capital Gains Tax Rates Affect Revenues: The Historical Experience, 1988.

Gravell, J., "Can a Capital Gains Tax Cut Pay for Itself?", Congressional Research Service Report, 1990.

Jones, Jonathan, "An Analysis of Aggregate Time Series Capital Gains Equations." OTA Papers no. 65, 1989.

Gillingham, R., Greenlees, J., and Ziechang, K., "New Estimates of Capital Gains Realization Behavior: Evidence From Pooled Cross-Section Data." OTA Papers no. 66, 1989.

Auten, G., Burman, L., and Randolph, W., "Estimation and Interpretation of Capital Gains Realization Behavior: Evidence from Panel Data." OTA Papers no. 67, 1989.

Changing the level of long-term capital gains will often cause the marginal tax rate on gains to change. So, given the new level of gains from equation (4.15), a new level of induced realizations is calculated. The process keeps repeating until a stable solution is found. Section 9.8 presents an example simulation run which adjusts capital gains.

OTA realizes that there are other behavioral responses to increased tax rates on capital gains. These include changing holding periods, shifting of capital asset mixes, and converting ordinary income to (or from) capital gains. These effects are generally estimated off-model.

Chapter 5

A GENERAL DESCRIPTION OF THE TAX MODEL PROGRAM

5.1 INTRODUCTION

5.1.1 PROGRAM SIZES AND RESOURCE USAGE

The computer program component of the Treasury's Individual Income Tax Simulation Model consists of over 220 VAX FORTRAN subprograms, data files, and command procedures. The VAX FORTRAN subprograms and files contain over 20,000 VAX FORTRAN statements. The program components of the Tax Model take approximately 3.5 megabytes of storage.

The Tax Model currently runs on an VAX-10000 computer. A simulation run which reads the Base file of 110,566 observations takes approximately 1.5 minutes of computer usage time (CPU). On the high end, a simulation that reads the Match file and CPS companion file, while performing an extrapolation takes approximately 6.0 minutes of CPU time.

In each of the sections that follow, a general description of the major aspects and components of the Tax Model is presented. The first section briefly describes the overall design of the Tax Model. The three sections each describe one of the three major phases of the Tax Model. This is followed by a section which briefly describes several additional programs used by the Tax Model. Finally, Appendix 5-A presents the diagnostic messages generated by the Model.

5.2 DESIGN PHILOSOPHY OF THE TAX MODEL

In the Tax Model, the tax law currently in effect is defined by various tax parameters which collectively are called Plan X. Similarly, the set of tax parameters which define a proposed tax law are referred to as Plan Y. Normally, the number of differences between Plan X and Plan Y are small in relation to the total number of tax parameters in Plan X. The design of the Tax Model program incorporates this feature by initially assuming that no differences exist between Plan X and Plan Y, i.e., that Plan X = Plan Y. This design simplifies data preparation for the user, who has only to specify how Plan Y differs from Plan X in order to completely define Plan Y.

Another design feature of the Tax Model program is its ability to compare two alternative tax proposals with Plan X. Normally, a user will want to compare Plan Y with Plan X and analyze the results. In some cases, however, the user may want to compare one tax proposal, Plan Y, and a second tax proposal, Plan Z, with Plan X in the same simulation to determine which option individual taxpayers would elect.

The Tax Model can be separated into three sections or phases, entitled Phase I, Phase II, and Phase III. In Phase I, tax parameters are initialized. Phase II processes the data, and Phase III outputs the results. The next sections describe each of these stages in more detail.

5.3 PHASE I

Phase I of the simulation is basically an initialization and preparation stage. It begins by initializing operational data such as the run description, the characteristics of the data sample that will be used, the desired output tables, the editing required on these tables (if any) and which tax plans will change in the simulation. Next, all tax parameters in Plan Z, if requested, are equated to those of Plan X. (Plan X is automatically equated to Plan Y unless specified otherwise). Finally, modifications to tax parameters are made so that Plan Y does not equal Plan X (and Plan Z if relevant). Chapter 6 describes the operational data and tax parameter options available to the user. Table 5.1 lists the subprograms belonging to Phase I, as well as brief description of the function of each subprogram.

5.4 PHASE II

The primary function of Phase II is to process the data from the sample of individual income tax returns under each tax plan specified in Phase I. Phase II begins by determining where the summary information contained in the output tables will be stored in a large output storage array. This operation insures that number of "paging" operations performed in order to update the output tables is kept to a minimum. Second, each data record is read. Third, if a data level other than 1989 levels is required, the Tax Model executes the extrapolation subprograms. Fourth, tax liabilities for each record are calculated. Fifth, the statistical output tables are updated. Finally, after all returns have been processed, operational statistics are printed.

Figure 5.1 summarizes the steps performed in Phase II. A list of the subprograms used in Phase II is presented in Table 5.2.

TABLE 5.1

SUBPROGRAMS USED IN PHASE I OF THE TAX MODEL

Subprogram Name	Function
BLK_CREATE	Subroutine which automatically sets tax parameters to the tax year being simulated.
BLK88	A block data file containing initial levels of tax parameters and rates. Values are adjusted to the tax year being simulated in the BLK_CREATE subroutine.
COVER_PAGE	Program which prints the cover page.
CSAVE1	File which defines the common-block storage areas for variables obtained from the $SAMPLE data image and the $CHANGE data image (see Chapter 6). In addition, CSAVE1 defines the common-block storage which holds the Tax Model's inflation assumptions.
CSAVE3	File which defines the common-block storage areas for variables obtained from the $OUTPUT, and $EDIT data images (see Chapter 6).
CSAVEX	File which defines the common block storage areas for the tax parameters and rate schedules for Plan X.
CSAVEY	File which defines the common block storage areas for the tax parameters and rate schedules for Plan Y.
CSAVEZ	File which defines the common block storage areas for the tax parameters and rate schedules for Plan Z.
DATEA	Subprogram which retrieves the current date and time.
JUST8	Subprogram which performs character string right justifications.
MAIN1	Executive subprogram for Phase I. Subprogram performs most of the Phase I operations including reading the Tax Model input parameters.
MAIN1DB	The same as MAIN1 except that input parameters are pre-set. Subprogram is used when debugging run steams.

TABLE 5.1 (Continued)

SUBPROGRAMS USED IN PHASE I OF THE TAX MODEL

Subprogram Name	Function
MRATES	Subroutine which processes the input of tax rate schedules data.
PROUT	Subroutine which prints the exemptions and miscellaneous tax parameters for a given plan.
RINDX	Subprogram which indexes (adjusts) tax brackets and other dollar parameters for inflation.
TAXTAB	Subroutine which prints the tax rate schedules for a given plan.

FIGURE 5.1

PROGRAM STRUCTURE OF PHASE II OF THE TAX MODEL

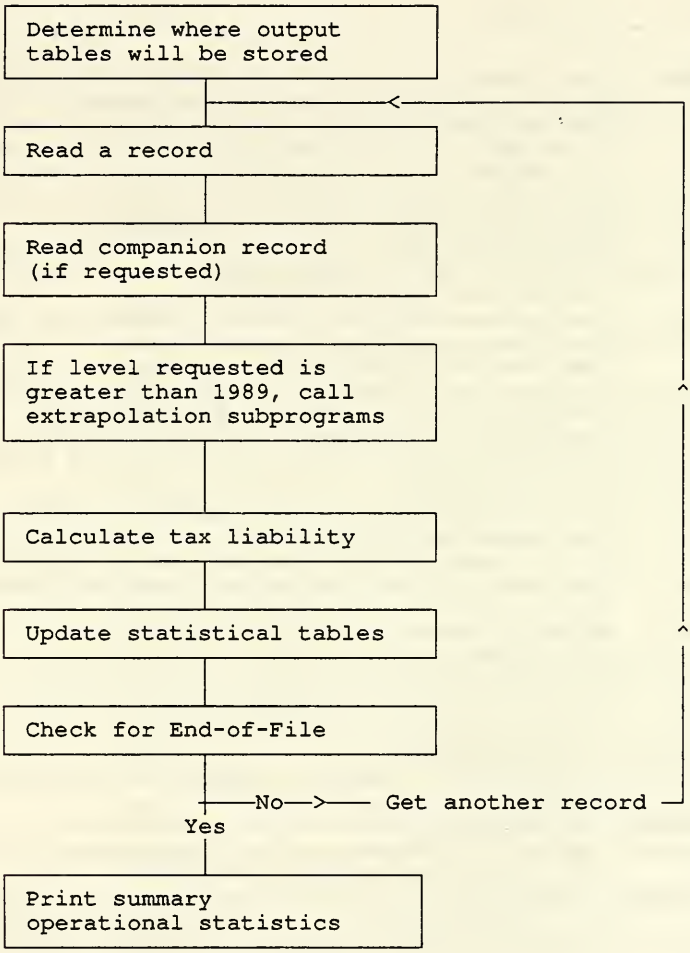


TABLE 5.2

SUBPROGRAMS USED IN PHASE II OF THE TAX MODEL

Subprogram Name	Function
BLOCK_BLOWUP	Block data of Stage I adjustment factors used in the Tax Model's extrapolation routine.
BLOWUP	The extrapolation's Stage I adjustment routine.
CINPUT	File which defines the common-block storage areas for PHASE II and the data input records.
CSAVE4	File which defines the common-block storage area for all of the standard output Tables.
DIS_PSLOS89	Subprogram which allocates disallowed passive losses to their respective source. Subprogram is called from PSLOS_CREATE89
EXTRAPOLATE	Executive subprogram which performs the Tax Model's extrapolation procedures.
FAMTAB	The same as TABLES except information for the family output tables is collected.
FORM8582_CALC	Subprogram to simulate Form 8582, which determines the amount of allowed and disallowed passive losses. Subprogram is called from the tax calculators.
FTNPK1_INT2	General assembler subprogram which packs data. See Appendix 2-H.
FTNUP1_INT2	General assembler subprogram which unpacks data. See Appendix 2-H. Routine is called from UNPACK_INT2.
FTNUP2_INT2	General assembler subprogram which unpacks data. See Appendix 2-H. Routine is called from UNPACK2_INT2.
FTNUP3_INT2	General assembler subprogram which unpacks data. See Appendix 2-H. Routine is called from UNPACK3_INT2.
INFO_SSA_89SOI	Subprogram to read and process the SSA-1099 Information Returns file.
INFO_W2_89SOI	Subprogram to read and process the W-2 Information Returns file. Subprogram calls INFO_W2_HOTDEC and INFO_TWO_EARN
INFO_W2_HOTDEC	Subprogram to impute W-2 information to returns with missing W-2s and to impute tax deferred retirement contributions to returns with wages greater than the FICA contributions cap. Routine is called from INFO_W2_89SOI.

TABLE 5.2 (Continued)

SUBPROGRAMS USED IN PHASE II OF THE TAX MODEL

Subprogram Name	Function
INFO_TWO_EARN	Subprogram to insure that wages from the W-2 Informations returns file is consistent with wages reported on Schedule SE. Routine is called from INFO_W2_89SOI.
MAIN2	Executive subprogram for PHASE II. Subprogram calls the sample routines to read the data, calls EXTRAPOLATE to extrapolate the data, calls the tax calculators to process the data, and calls TAB01_FILL and TABLES to collect summary information.
PACK_INT2	Generalized subprogram to pack and write the Tax Model's data files to the output file with the logical name, OUTPUT1.
PSLOS_CREATE89	Subprogram to determine allowed passive and active business income or losses.
READFEI	Subprogram to read a data file containing the "economic income" of each return. Values among family members are combined to form Family Economic Income. See Chapter 3.
READWT_5	Subprogram which reads the new weights of tax returns in an extrapolation.
READ_CONSMP	Subprogram to read and process the consumption companion file.
RECALC	Subprogram to adjust the file after the Stage I blowup routine. The subprogram insures that certain variables are consistent with their component parts.
SAVEX	Subprogram to save certain Plan X variables. Subprogram is used when behavioral response simulations are being run.
SAMPL1	Subprogram which reads the Base data file or the Match data file. Subprogram calls UNPACK_INT2.
SAMPL2	Subprogram which reads the C&F supplemental file. Subprogram calls UNPACK2_INT2.
SAMPL_IMPT	Subprogram which reads the CPS companion file. Subprogram calls UNPACK2_INT2.
SCUT	Subprogram which collects family information on 35 tax variables.

TABLE 5.2 (Continued)

SUBPROGRAMS USED IN PHASE II OF THE TAX MODEL

Subprogram Name	Function
SECA_CALC	Subprogram to estimate SECA tax liabilities. Subprogram is used in the extrapolation procedures.
SSTAXES	Subprogram to estimate Social Security tax liabilities.
TABLES	Subprogram which collects information for the standard statistical output tables except Table 01.
TAB01_FILL	Subprogram which collects information for Table 01.
TAX	Function which determines tax liability from the tax rate schedule.
TAXX	Subprogram which applies taxable income to the basic rate structure to determine tax liability under Plan X.
TAXY	Subprogram which applies taxable income to the basic rate structure to determine tax liability under Plan Y.
TAXZ	Subprogram which applies taxable income to the basic rate structure to determine tax liability under Plan Z.
TXCLCE	Tax calculator used in the extrapolation procedure and called from RECALC.
TXCLCX	Calculates tax liability for Plan X.
TXCLCY	Calculates tax liability for Plan Y.
TXCLCZ	Calculates tax liability for Plan Z.
VNTRAN	A set of assembler routines which handle the Tax Model I/O processing.
UNPACK_INT2	Generalized routine which unpacks a data record from a file with the logical name, INPUT1. Subprogram calls the assembler routine FTNUP1_INT2.
UNPACK2_INT2	Generalized routine which unpacks a data record from a file with the logical name, INPUT2. Subprogram calls the assembler routine FTNUP2_INT2.

TABLE 5.2 (Continued)

SUBPROGRAMS USED IN PHASE II OF THE TAX MODEL

Subprogram Name	Function
UNPACK3_INT2	Generalized routine which unpacks a data record from a file with the logical name, INPUT3. Subprogram calls the assembler routine FTNUP3_INT2.
WRITE1	Subprogram for creating a packed Base or Match data file.
WRITE2	Subprogram for creating a packed Supplemental data file.
WRITE_CPS	Subprogram for creating a packed CPS companion data file.

5.4.1 THE TAX CALCULATOR

The heart of the Individual Tax Model are the tax calculators. These are used in Phase II to calculate Plan X, Plan Y, and Plan Z tax liabilities. The only difference between the calculators is the names of the variables they determine. Thus, AGI in Plan X (AGIX) can easily be distinguished from AGI from Plan Y (AGIY).

The calculator takes information from each potential tax filing unit in the data file, and using a set of tax parameters, calculates that unit's Federal individual income tax liability under the appropriate tax plan. The tax calculator also computes the values of several variables that affect tax liability. Table 5.3 presents a list of variables that are endogenous to the tax calculator. Note that the calculator does not endogenously determine levels of capital gains (or losses), IRA contributions, or Social Security income. The calculator only determines the portion of these items included in AGI.

Not every variable in Table 5.3 is determined in every simulation. Some variables in Table 5.3 may not be applicable to the tax law requested by the user. For example the special earned income tax credits for returns with new-born babies or for returns with health insurance expenses are only calculated when a post-1990 law is requested.

There are three basic methods for simulating a tax regime other than current law: change the tax parameters, change the coding of the tax calculator, or change both. Tax parameters are changed using a set of input parameters (described in Chapter 6). The tax calculator is changed by deleting certain lines of code, inserting new lines of code, or by doing both (see Chapter 9).

Two implicit behavioral assumptions are used. First, all filers choose tax options that minimize their tax liabilities. Second, there are no behavioral or "feedback" effects on variables exogenous to the Model. These variables include the level and distribution of pre-tax income or expenditures on deductible items. This latter assumption implies that only first round effects are simulated.

5.4.2 LIMITATIONS TO THE CALCULATORS

The tax calculator is quite robust, and can trace through most of the interactions between any income source and the various provisions of the tax code. However, it does have limitations. These include:

- The calculator does not simulate the effects of changes in tax law on a number of small but important provisions in the tax code. Among these are state and local tax refunds, the foreign tax credit, certain general business credits, and depreciation expenses. Values for these variables are assumed to remain constant within the simulations.

- The calculator does not capture behavioral responses of individuals to marginal changes in disposable income or prices. For example, the Model would not capture changes in charitable giving due to changes in tax rates or incomes.

- Simulations often require imputed data (data not contained on original tax returns but necessary in computing tax liability under one or more plans). Although every effort is made to correctly impute data items, errors are unavoidable. Within any simulation, variables containing imputed data will interact with other variables in the Model. To the extent that imputation errors were made to one or more variables in some systematic way, the results of simulations will be biased.

- Finally, many of the imputations for non-itemizers are based on values of variables on tax returns such as AGI. For example, the imputation for state and local income tax deductions was based, in part, on AGI. Therefore, these imputations should be adjusted when the "base" variables change. For simplicity, such adjustments are not made.

While these limitations are easy to identify, they are exceedingly difficult to correct. These limitations, however, may be corrected much more easily "off model." That is, if the analyst believes the Tax Model does not accurately portray the effects of a tax law change, he may make adjustments to the final output of the simulation run.

5.5 PHASE III

Phase III of the Tax Model processes and prints the results of a simulation. The output tables are selected in Phase I and the information in the tables is collected in Phase II. Phase III computes marginal totals for each table and then prints the table. An example of each output table produced in Phase III is presented in Chapter 7. Table 5.4 presents the subprograms associated with Phase III of the Tax Model and a brief description of each subprogram's function.

TABLE 5.3

ITEMS RECALCULATED BY THE TAX CALCULATOR

Capital gains included in AGI.

Long term capital gains exclusion.

Social Security income included in AGI.

Disallowed passive losses. *2

Total income included in AGI (before adjustments).

Deduction for SECA taxes paid.

Individual retirement account (IRA) deduction.

Adjusted gross income (AGI).

Personal exemptions.

Phase-out of personal exemptions. *1

Basic standard deduction amounts.

Additional standard deduction amounts for blind and elderly taxpayers.

Standard deduction for dependent returns.

Charitable expense deduction.

Investment interest expense limitation.

Consumer interest expense limitation.

Total interest expense deduction.

State+local tax deduction.

Medical expense deduction.

Fully deductible miscellaneous expense deduction.

Miscellaneous deductions subject to the 2% AGI floor.

TABLE 5.3 Continued

ITEMS RECALCULATED BY THE TAX CALCULATOR

Casualty and loss deduction.

Total and itemized deductions.

Phase-out of itemized deductions. *1

Itemizer/non-itemizer status.

Adjustment of state and local tax refunds in AGI from itemized deduction phase-out. *1

Unused standard deduction (for returns required by law to itemize).

Earned income (for dependents with unearned income).

Taxable income.

Regular tax liability.

Statutory marginal tax rate.

Surtaxes from the phase-out of the 15% bracket and the value of personal exemptions.

Alternative tax when all long term capital gains are taxed at 28%.

Regular "kiddy" tax from Form 8615.

Parent's elective kiddy tax from Form 8814.

Tax liability including any special taxes.

Tentative and final elderly credit.

Tentative and final child care credit.

Tentative and final general business credits reported on Form 3800.

Tentative and final mortgage investment credit

Tentative and final foreign tax credit

TABLE 5.3 Continued

ITEMS RECALCULATED BY THE TAX CALCULATOR

Tentative and final alternative minimum tax credit.
Unused personal and business credits.
Tax liability after credits.
Total itemized deductions for AMT purposes.
Total preference items for alternative minimum tax (AMT) purposes.
Net operating loss carry-overs allowed in AMT taxable income.
Taxable income for the AMT
Tentative AMT before and after foreign tax credits.
Final alternative minimum tax.
Total earned income for the earned income tax credit(s).
Regular earned income tax credit.
Earned income tax credit of returns with one child or two or more children. *1
Young baby's earned income tax credit. *1
Health insurance earned income tax credit. *1
Final tax liability.

*1 OBRA-90 law only.
*2 Calculated in the subprogram FORM8582_CALC.

TABLE 5.4

SUBPROGRAMS USED IN PHASE III OF THE TAX MODEL

Subprogram Name	Function
CENTER	Subprogram to center titles and column headings for the titles and headings produced by HEAD.
HEAD	Subprogram to produce titles and column headings for the tables produces by TABOUT.
MAIN3	Executive subprogram for PHASE III. Subprogram calls the routines which produce the output tables.
NERROR	Subprogram to process errors encountered by TABOUT.
TAB01	Processes the results for Table 01 and outputs Table 01.
TAB02	Processes the results for Table 02 and outputs Table 02.
TAB02_FAM	Same at Table 02 but values are collected on a family basis.
TAB03	Processes the results for Table 03 and outputs Table 03.
TAB03_FAM	Same at Table 03 but values are collected on a family basis.
TAB04	Processes the results for Table 04 and outputs Table 04.
TAB04_FAM	Same at Table 04 but values are collected on a family basis.
TABOUT	Subprogram to output generalized tables.
TAB_LOTUS	Same as TABOUT except the output is designed so that it can be easily imported into a LOTUS spreadsheet.

5.6 OTHER SUBPROGRAMS, PROCEDURES, AND DATA FILES

The Tax Model program file also contains a number of other subprograms, utility routines, and data files which may be used as needed. These are presented in Table 5.5.

TABLE 5.5

OTHER SUBPROGRAMS, PROCEDURES, AND DATA FILES IN THE TAX MODEL

Subprogram Name	Function
AGE_OFKIDS_READ	Subprogram which imputes the age of child dependents.
BASIC_MODEL_LIB	Command procedure which creates an objects module library of basic Tax Model routines.
CG_BISRCH	Capital Gains Behavioral Simulation Subroutine: Only used when a stable solution cannot be found. Conducts an incremental search for a stable solution.
CG_CAPGNS	Capital Gains Behavioral Simulation Subroutine: Driver program to the behavioral simulation model. Routine calls CG_CGPRED and iterates until a stable solution is found.
CG_CGPRED	Capital Gains Behavioral Simulation Subroutine: Routine adjusts capital gains realizations in response to changing marginal tax rates on gains.
CG_TXCLCA	Capital Gains Behavioral Simulation Subroutine: Driver routine which calculates the marginal tax rates on long-term gains. Routine calls the Plan X and Plan Y calculators.
CONTRL	Executive program for all 3 phases of the Tax Model.
CES_LABELS	Data file with labels of Consumer Expenditure Survey variables.
CPS_LABELS	Data file with labels of Current Population Survey variables.
CPUSUP	Retrieves CPU, elapsed times.
CTINCP	Inverse of the TAX function. Uses tax liability and a rate schedule to determine taxable income.
DEFINE_DB	Command procedure which assigns Tax Model data files and extrapolation data files to logical names. Procedure is used when debugging Tax Model runs.
DELAY	Subprogram used to delay, for one or more years, the automatic inflation indexing of various dollar parameters and tax rate brackets.
DELAY_NOROUND	Subprogram, similar to DELAY, which eliminates the rounding rules when indexing various dollar parameters and tax rate brackets.
EXTRAP_LIB_CR	Command procedure which create an object module library of Tax Model extrapolation subprograms.

TABLE 5.5 Continued

OTHER SUBPROGRAMS, PROCEDURES, AND DATA FILES IN THE TAX MODEL

Subprogram Name	Function
GSR	Command procedure which performs a global search and replace on any string of characters within any specified set of files.
INDEXB	An assembler routine which obtains the bracket location a continuous variable falls within a range of brackets.
LAYOUT_CES	Program to print the record layout of the CES companion file.
LAYOUT_CPS	Program to print the record layout of the CPS companion file.
LAYOUT_SS_INFO	Program to print the record layout of the SSA-1099 Information Returns companion file.
LAYOUT_V12	Program to print the record layouts of the Base and Match files and the Supplemental file.
LAYOUT_W2_INFO	Program to print the record layout of the W2 Information Returns companion file.
LINK	Command procedure which links (collects) the Tax Model object modules into an executable module.
MODEL_COPY_V12	Command procedure used in all Tax Model simulations. The procedure copies selected subprograms to the SCRATCH disk for processing.
MONEY_FLY	Subprogram to impute money income.
MOVE	Assembler routine which performs block transfers of data.
MTR_CALC	Subprogram used to calculate marginal tax rates on various income or deduction sources.
NEW_LABELS	Data file of OTA created variables on the Base and Match data files.
PARM_PRINT	Program used to calculate the values of dollar tax variables that are indexed for inflation.
SCENARIO	Command procedure used in all Tax Model simulation; defines the law and data level used in the simulation (e.g., TRA law at 1989 levels).
SOI89_LABELS	Data file containing the labels of variables from the 1989 SOI file.
SS_INFO_LABELS	Data file with labels of variables on the SSA-1099 Information Returns companion file.

TABLE 5.5 Continued

OTHER SUBPROGRAMS, PROCEDURES, AND DATA FILES IN THE TAX MODEL

Subprogram Name	Function
SS_PHASE	Utility subprogram which calculates the loss in Social Security benefits due to the Social Security Earnings test.
TAB01_COMPARE	Utility program which compares the values in Table 01 by different Tax Model runs.
TITLEPAGE	Dummy data file containing the output from a COVER_PAGE execution.
USER_SPEC	A file containing any special routines to be linked into a Tax Model simulation. Initially, the file is blank, and is filled on-the-fly in a simulation run.
W2_INFO_LABELS	Data file with labels of variables on the SSA-1099 Information Returns companion file.
W4_89	Program to simulate the 1989 W4 wage withholding form.
ZERO	Assembler routine which performs block transfer of zeroes.

APPENDIX 5-A

TAX MODEL DIAGNOSTIC MESSAGES

The Tax Model checks for errors in several critical places or situations. The diagnostic messages generated in these situations are presented in Table 5.6 below. Each message is composed of three parts: a) the word 'ERROR' or 'WARNING", indicating the nature of the message, b) the name of the subroutine where the message occurred, and c) a brief description of the error or warning.

TABLE 5.6

TAX MODEL DIAGNOSTIC MESSAGES

WARNING HEAD: TITLE TRUNCATED AT THE END OF THE 5TH LINE THE FOLLOWING CARDS WERE SKIPPED:
WARNING HEAD: COLUMN HEADINGS TRUNCATED AT THE END OF THE 100 TH COLUMN
WARNING MRATES: MAXIMUM NUMBER OF CHANGES ACCEPTED
WARNING MRATES: RATE TABLE IS FULL PROGRAM IS ABLE TO CONTINUE
ERROR BLK_CREATE: WRONG BLKDATA USE BLK88_TRA
ERROR BLK_CREATE: EXTRAP YEAR NOT AVAILABLE
WARNING DIS_PSLOS89: CAF FILE NOT BEING READ
ERROR MAIN1: CANNOT READ C AND F FILE WITH MATCH FILE
ERROR MAIN1: OBRA LAW BEGINS IN 1991
WARNING MAIN2: xxx OUT OF xxx RETURNS ARE MISSING
ERROR SAMPL1: MATCH=0 AND THE INPUT FILE IS THE MATCH FILE
ERROR SAMPL1: MATCH=1 OR 2 AND THE INPUT FILE IS THE SOI FILE
ERROR SAMPL1: CALL TO SAMPLE AFTER FILE CLOSED
ERROR SAMPL2: CALL TO SAMPL2 AFTER FILE CLOSED
ERROR SAMPL_IMPT: MATCH FILE AND COMPANION FILE OUT OF SEQUENCE
ERROR SAMPL_IMPT: CALL TO SAMPL_IMPT AFTER FILE CLOSED
ERROR SSTAXES: INVALID YEAR FOR SS TAX CALC
ERROR TAXX: MARGINAL RATE CLASS NOT SET

TABLE 5.6 Continued

TAX MODEL DIAGNOSTIC MESSAGES

ERROR TAXY: MARGINAL RATE CLASS NOT SET
ERROR UNPACK_INT2: ERROR ON OPEN OF FILE INPUT1, ** JOB TERMINATED
ERROR UNPACK2_INT2: ERROR ON OPEN OF FILE INPUT2, ** JOB TERMINATED
ERROR BLOWUP: INVALID OUT YEAR, IYR= xx
ERROR BLOWUP: INVALID BASE YEAR, IBS= xx
ERROR SECA_CALC: INVALID YEAR FOR SS TAX CALC

Chapter 6

DESCRIPTION OF THE TAX MODEL INPUT PARAMETERS

6.1 GENERAL OVERVIEW

The Tax Model processes several data images of the "nimblest" or "free" format type. These images provide necessary data for preparing a run, and for specifying the values of different broad categories of tax variables employed in the Tax Model. There are basically seven images, or groups of images, which, when combined with a data set name, completely specify a Tax Model run. These are:

RUN DESCRIPTION Images	Describe the run.
$SAMPLE Image	Specifies characteristics of the data sample.
$OUTPUT Image	Specifies the required output.
$EDIT Image	Specifies the required editing needed, if any.
$CHANGE Image	Specifies which tax plans will change and how.
$PLNX, $PLNY, or $PLNZ Images	Specifies changes to tax parameters for Plan X, Y, or Z. These images are used for parameters such as taxpayer exemptions, earned income credit, etc.
$RATES Image	Specifies changes in the tax rate schedules.

An examination of the general structure of the input stream illustrated in Figure 6.1 reveals the images needed to produce a run. The Tax Model assumes that the tax parameters for two plans (proposals) are identical (i.e., Plan X = Plan Y). The "optional" images should be included when the user desires to modify one of the tax plans, so that the tax parameters of Plan Y are different from the tax parameters of Plan X.

FIGURE 6.1

DATA IMAGES USED IN TAX MODEL SIMULATIONS

RUN NO:XXXX		REQUIRED
TITLE X:		REQUIRED
TITLE Y:		REQUIRED
TITLE Y:		REQUIRED
TITLE Y:		REQUIRED
$SAMPLE	$END	REQUIRED
$OUTPUT	$END	REQUIRED
$EDIT	$END	REQUIRED
$CHANGE	$END	REQUIRED
$PLNX,Y,OR Z	$END	OPTIONAL
$RATES	$END	OPTIONAL

6.2 RUN PREPARATION DATA IMAGES

6.2.1 RUN DESCRIPTION IMAGES

The first five images in Figure 6.1 describe the Tax Model run. All of these images are required. One or more of the TITLE Y images may be left blank, but all three must appear in the input stream. These images feed into the Tax Model's cover page routine. The format for each image is illustrated below.

```
RUN NO:XXXX
TITLE X: Plan X description
TITLE Y: Line 1: Plan Y description
TITLE Y: Line 2: Plan Y description
TITLE Y: Line 3: Plan Y description
```

where:

XXXX = The serial number assigned to the run.
TITLE X = An alphanumeric description (up to 80 characters) of the tax proposal in Plan X, usually present law.
TITLE Y = 3 lines of alphanumeric description (up to 80 characters each) of the tax proposal in Plan Y.

6.2.2 THE $SAMPLE IMAGE

The $SAMPLE image specifies the characteristics of the data sample that will be employed by the Tax Model. This image contains information such as the extrapolated year of the data, how many returns are to be processed, and whether or not the sample is the Match sample. This image is required, and must always appear in the input stream. The format for this image is "Free Format" within the restrictions of a NAMELIST read.

In addition to providing operational parameters, the RUN description and $SAMPLE images produce a title page. Included on the title page are: the year for both tax law and levels of the data, the database used in the run, the number of returns processed in the run, and a description of Plan X, Plan Y, and Plan Z. A generalized example image for the 1989 Base file follows.

```
$SAMPLE NLAW=1989, NRET=110566, NLEV=1989, NSTOP=10, CAF=0,
            MATCH=0, $END
```

where:

NLAW = The year of the tax law used in the run.
NRET = The number of unweighted returns in the sample.
NLEV = The extrapolated year of the sample data. If left unspecified, 1989 levels will be processed.
NSTOP = The number of returns to be processed. If left unspecified, all of the returns will be processed.
CAF = Supplemental file indicator:
- 0 - not processed
- 1 - processed

MATCH = Match file indicator:
- 0 - the production sample
- 1 - the Match sample without the CPS companion file
- 2 - the Match sample with the CPS companion file

6.2.3 THE $OUTPUT DATA IMAGE

The function of the $OUTPUT image is to specify the required output for any given Tax Model run. This image is required, and must always appear in the input stream, even if the default output is desired. The format for this image is illustrated below.

```
$OUTPUT VN1=00, VN2=00, ..............VNX=00,   $END
```

The variable names VN1, VN2, ...VNX that appear on the $OUTPUT image above are dummy names. These dummy variable names may be replaced with any or all of the variable names that appear in Table 6.1. These variable names and their values may appear in any order on the $OUTPUT image.

TABLE 6.1

PARAMETERS AND CODES FOR THE $OUTPUT IMAGE

Required Output	Variable Name	Codes	Action Invoked By Code
TABLE 01	OT1	0,1	+-
TABLE 02	OT2	0,1	| 0 = do not print
TABLE 03 *1	OT3	0,1	| 1 = print table (default)
TABLE 04	OT4	0,1	+-
TAX PARAMETERS TABLE *2	PRPRT	0,1	+- 0 = do not print < 1 = print (default) +-
SAVE OUTPUT *3	SAVOUT	0,1	+- 0 = do not store results | = (default) < 1 = store summary results +-
UNIT OF ANALYSIS *4	UOA	0,1	+- 0 = families < 1 = tax returns (default) +-

NOTES:

*1 Unless otherwise requested, Table 03 will be printed only when there is a tax change between Plans X and Y.
*2 This variable controls the printing of all tax parameters and rate schedules at the end of Phase I.
*3 Currently not used by the Model.
*4 If UOA equals 0 and MATCH is not equal to 1 or 2, then UOA will be set to 1.

6.2.4 THE $EDIT DATA IMAGE

The function of the $EDIT image is to allow the user to easily perform editing of the output tables. For example, Tables 01, 02, and 03 produced by the Tax Model present disaggregated results distributed by an income classifier. Specifically, the user may:

- Change the source of the classifier,
- Change the description of the classifier,
- Change the stubs for the classifier,
- Inflate or deflate the stubs by a common factor.

As with the $OUTPUT image, the $EDIT image is required, and must always appear in the input stream, even if no editing changes are required. The format for this image is:

```
$EDIT VN1=00, VN2=00, VN3=00,.....VNX=00,   $END
```

The variable names VN1, VN2, ...VNX, that appear on the $EDIT image above are dummy names. These names may be replaced with any or all of the variable names that appear in Table 6.2 below. These variable names and their values may appear in any order on the $EDIT image. The next four subsections deal with the classifier used to perform this disaggregation.

6.2.4.1 Classifier Definition

The parameter "CSTUBD" on the $EDIT image allows the user to select one of three different income concepts for the classifier. (The user can actually use any income concept, but this requires program modifications.) As Table 6.2 indicates, the income definition is determined using the parameter "CSTUBD." By default, Plan X AGI will be used as the classifier if the unit of analysis is returns; family economic income will be used if the unit of analysis is families.

6.2.4.2 Classifier Description

Once "CSTUBD" is set, the Tax Model will automatically select the corresponding description from the array "CSTUB." If, however, the user has modified the program to define a new income concept for the classifier, then a new description can be entered via the $EDIT image. For example, suppose through program changes, the user has modified the classifier to be AGI plus untaxed Social Security benefits. Then a new description could be entered as:

```
$EDIT  CSTUBD=1, CSTUB(1,1)='AGIX',' + S','oc. ','Sec.',$END
```

TABLE 6.2

PARAMETERS AND ENTRIES FOR THE $EDIT IMAGE

Required Editing	Variable Name	Allowed Entries	Action Invoked
CLASSIFIER DEFINITION	CSTUBD	1,2,3	1 =Plan X AGI (Default for returns) 2 =Plan Y AGI 3 =Economic Income (Default for families)
CLASSIFIER DESCRIPTION	CSTUB	4 groups of 4 char.	Replaces classifier description with a new entry.
CLASSIFIER STUBS	STUBS	New STUBS in dollars	Replaces classifier STUBS w/new entries
STUBS ADJUSTER	STUBDF	Any positive real value	Adjusts the stubs values by a nominal factor (Default=1.0)

6.2.4.3 Classifier Stubs

By default, the Tax Model's current income classes are shown in Table 6.3. If none of the stubs presented above meets the user's requirements, or if one or more of the stubs values is inadequate, then the user may change these on the $EDIT image. For example, suppose that the user is examining a proposed change to the earned income tax credit and wants the income classes spread across low income returns. The change to the STUBS array is accomplished as illustrated below. Note that without program modification, the user is limited to 9 classes.

```
$EDIT STUBS(3)=2500., STUBS(4)=5000., STUBS(5)=7500.,
      STUBS(6)=10000.,STUBS(7)=15000.,STUBS(8)=20000., $END
```

TABLE 6.3

CLASSIFIER STUBS

Range			STUBS Subscript
-INF	to	$ 0.	1
$ 0.	to	$ 10,000.	2
$ 10,000.	to	$ 20,000.	3
$ 20,000.	to	$ 30,000.	4
$ 30,000.	to	$ 50,000.	5
$ 50,000.	to	$ 75,000.	6
$ 75,000.	to	$100,000.	7
$100,000.	to	$200,000.	8
$200,000.	to	+INF	9

Note: INF = infinity

6.2.4.4 Stubs Adjuster

The user may adjust the STUBS values by using the STUBDF variable. For example, the user may want to adjust the stubs values for inflation. The following example deflates the values in STUBS by 5%.

```
$EDIT   STUBDF=.95   $END
```

6.2.5 THE $CHANGE IMAGE

The Tax Model initially creates up to three alternative tax plans referred to as Plan X, Plan Y, and Plan Z. Normally, each of these tax plans are identical in every respect. Each section of the input deck following the $CHANGE image is designed to alter one, several, or all the parameters of Plans X, Y, or Z. That is, the $CHANGE image conveys to the Tax Model which tax plans will have one or more parameters changed. Each of the variables NEWX, NEWY, and NEWZ may be set to one of the following values to achieve the desired change:

=0, No changes (default)
=1, Tax parameter changes only
=2, Tax parameter and tax rate changes
=3, Tax rate changes only

The $CHANGE image also contains the variables PLANX, PLANY and PLANZ. These variables are normally set by the program to control the calculation of tax plan X, Y, or Z. However, the user may override the values set by the program by setting PLANX, PLANY, or PLANZ to one of the following values:

=0, Do not calculate plan
=1, Calculate plan

The program initially sets PLANX=1, PLANY=1, and PLANZ=0. If any of the "NEW*" parameters is not equal to zero, the corresponding "PLAN*" parameter will be set equal to one (1).

The following illustrates an example of the $CHANGE image, where PLANY is to be calculated with new tax parameters and tax rates.

```
$CHANGE  NEWY=2,  $END
```

The CHANGE image also contains the variables ILX, ILY, and ILZ. These variables determine whether the provisions of the Ommnibus Budget Reconciliation Act of 1990 (OBRA90) will be simulated. The possible values for these variables are:

=0 Calculate pre-OBRA90 law
=1 Calculate OBRA90 law

The values of ILX, ILY, and ILZ are automatically set to zero when the law year is 1990 or earlier. One is the default value for law years after 1990. However, if the user wants to simulate, say, 1991 pre-OBRA90 law, he simply changes the ILX and/or ILY values to 0. The following illustrates an example where Plan X calculates pre-OBRA90 law while Plan Y calculates OBRA90 law. Note that setting the NEW* variables are not necessary.

```
$CHANGE  ILX=0, ILY=1,  $END
```

6.3 TAX PARAMETER DATA IMAGES

6.3.1 THE $PLNX, $PLNY, AND $PLNZ IMAGES

If any of the variables NEWX, NEWY, or NEWZ from the $CHANGE image equal 1 or 2, a $PLNX, $PLNY, or $PLNZ image will be required depending on which variable is set to 1 or 2. For example, if NEWX is set equal to 1 or 2, a $PLNX image would be required.

The general format for the $PLNX, $PLNY, and $PLNZ images is illustrated below. The variables VN1, VN2, etc., may be any of the variables listed in Table 6.4. The * may be a X, Y, or Z, depending on which plan is to be changed.

```
$PLNX  VN1=00.,  VN2=00.,  VN3=00.,   $END
```

TABLE 6.4

VARIABLE NAMES FOR THE $PLNX, $PLNY, & $PLNZ IMAGES

Variable Names	Are Related to—
FN*	Statutory Indexing Factor
FR*	Inflation Adjustment Indexing Factor
E*	Exemptions
PIN*	Miscellaneous tax parameters
TR*	Tax Reform (OBRA90 law) parameters and parameters for subsequent Acts

The correct specification for each of these variables will be described in the subsections that follow.

6.3.2 TAX PARAMETERS

To change one or more tax parameters, the variables presented in Table 6.4 are inserted on the $PLNX, $PLNY, or $PLNZ image as required. For example, in order to change the parameters specific to OBRA90 law, the variables TRX, TRY, or TRZ are used.

The inflation adjustment indexing factors are changed by using the variables FRX, FRY, or FRZ. The statutory indexing factors are changed by using the variables FNX, FNY, or FNZ. Deflating all of the dollar parameters in Plan X by 5% would be achieved by setting FRX to -0.05. Conversely, inflating those parameters indexed for inflation by 15% would be achieved by setting FNX to 0.15. Note that the Tax Model applies the appropriate rounding rules when changing the the parameters indexed for inflation. See section 6.5 for a summary of the statutory indexing rules for all tax parameters.

As an example, if the user wants to change the taxpayer exemption to $3000, the dependent exemption to $1500, and deflate all dollar parameters by 7.5% for Plan Y, he would enter the following $PLNY image.

```
$PLNY  EY(1)=3000., EY(4)=1500., FRY=-.075   $END
```

Alternatively, if these changes are to be made in conjunction with a 10% inflation indexing factor, then the $PLNY image would appear as follows.

```
$PLNY  EY(1)=3000., EY(4)=1500., FNY=.10,    $END
```

There are eighty (78 currently used and 2 reserved) miscellaneous tax parameters in the tax structure for each plan of the Model. The tax parameters are initially the same for all plans, and may be modified by the user. Appendix 6-A presents a list of the exemption and miscellaneous tax parameters used by the Tax Model under pre-OBRA90 and OBRA90 laws.

Like modifying the personal exemptions, in order to modify one of the miscellaneous tax parameters, the user enters the variable name and value on the $PLNX, $PLNY, or $PLNZ images. For example, suppose the user wants to change the minimum rate for the child care credit to 25%, and the raise alternative minimum tax exemption amounts by $10,000. This is achieved by the data images shown below. Note that percentages are entered as real numbers, that is 0.25 (not 25.0) for 25%.

```
$PLNY  PINY(52)=.25, PINY(63)=40000.,
       PINY(64)=50000., PINY(65)=40000., $END
```

The miscellaneous PIN parameters contain those tax parameters needed to simulate pre-OBRA90 law, as well as most provisions under OBRA90 law. In order to properly simulate the new provisions under OBRA90 law, an additional 25 tax parameters are needed. These sets of parameters have been stored in the TRX, TRY, and TRZ arrays. Appendix 6-B lists these parameters and their values under 1991 law.

6.4 TAX RATES DATA IMAGES

The Tax Model currently stores the tax rate schedules for calculating regular tax liabilities. A tax rate schedule for all taxpayers within a particular filing status is specified by three data arrays plus a scalar element containing the number of brackets in the schedule. The first data array contains the tax bracket breakpoints, the second contains the amount of tax at each break, and the third array holds the tax rates within each bracket. Tax rate brackets for single, joint, or head-of-household taxpayers are stored in the array, TY*, where the '*' may be an X, Y, Z. Similarly, tax rates are stored in the array, TM* and the amount of tax at the start of each bracket is stored in the TS* array.

Appendix 6-C presents the regular tax rate schedules employed by the Tax Model under 1989 law and 1991 law.

6.4.1 THE $RATES DATA IMAGE

This section describes one methodology for changing the Tax Model's rate schedules. While still available for usage, the methodology is generally obsolete. Tax rates schedules under current law are vastly more complicated than under past years. For example, under pre-OBRA90 law, a surtax is applied against the "value" of the 15% bracket (the difference in tax between applying a 15% rate and a 28% rate). Under OBRA90 law, long term capital gains cannot be taxed at a rate greater than 28%. Finally, brackets are indexed for inflation under a complex set of indexing rules (see Section 6.5 below). Thus, it is generally easier to adjust rate schedules through coding changes rather than parameter changes.

Any tax schedule associated with any of the three plans may be redefined by employing the $RATES image and additional data images. The user may redefine a tax schedule by specifying the schedule that is to be changed, and the option that is to be used to accomplish the tax rate changes. This image is required when NEWX, NEWY, or NEWZ on the $CHANGE image is set equal to 2 or 3. The particulars of this image are illustrated below.

```
    $RATES   SCHD=N,   OPTION=NN,   $END
```

where:

```
          +--
          |  1 For Schedule 1: Single person returns.
          |  2 For Schedule 2: Married filing joint returns,
          |    certain widows, and married persons filing
     N = <     separate returns (applied at 1/2 the
          |    intervals).
          |  3 For Schedule 3: Unmarried or legally
          |    separated head of households.
          +--

          +--
          |  0 No more rate changes.
    NN= <  1 Change rates by various methods.
          +--
```

A $RATES image is required for each tax schedule that is to be changed. The OPTION=1 parameter allows the user to employ one or more of seven different methods to change the tax rate schedules. Although these are easy to use, each of the methods will be described in the next subsections. Note that a $RATES image with OPTION=0 must follow the other $RATES images to indicate that all of the rate changes have been completed for the current plan.

6.4.2 SEVEN METHODS TO CHANGE RATE SCHEDULES

When OPTION equals 1 on the $RATES image, the Tax Model program will require that the user enter, in free format, a number from 1 to 7 as the next data image. This number represents the method of change as shown in Table 6.5.

6.4.2.1 Method 1: Flat Rates

If the user wishes to institute a flat tax 25% tax rate for single returns, he could enter the images shown below:

```
 $RATES  SCHD=1,  OPTION=1,  $END
1,
0.,0.,25.,
 $RATES OPTION=0,  $END
```

TABLE 6.5

METHODS OF CHANGING THE MARGINAL TAX RATE SCHEDULES

Method	Description
1	Flat tax rate.
2	Truncate tax rates at X percent.
3	Increase or decrease all tax rates by X percentage points.
4	Increase or decrease all tax rates by X percent.
5	Replace the existing rate schedule with a new rate schedule.
6	Modify, delete, or insert new brackets and/or tax rates in the existing tax schedule.
7	Increase or decrease all brackets by X percent.

6.4.2.2 Method 2: Truncate Rates

If the user wants to truncate the rates for Schedule 1 (Singles) at 28%, he could enter the images:

```
 $RATES  SCHD=1,  OPTION=1,  $END
2,
28.,
 $RATES OPTION=0,  $END
```

6.4.2.3 Method 3: Adjust by Percentage Points

If the user wants to decrease all the marginal rates on Schedule 1 (Singles) by 2 percentage points, he could enter the images:

```
 $RATES  SCHD=1,  OPTION=1,  $END
3,
-2.0,
 $RATES  OPTION=0,  $END
```

6.4.2.4 Method 4: Adjust by a Percentage Factor

If the user wishes to increase the marginal tax rates for Schedule 1 (Singles) by 10 percent for all the rates, he could enter:

```
 $RATES  SCHD=1,  OPTION=1,  $END
4,
10.,
 $RATES  OPTION=0,  $END
```

6.4.2.5 Method 5: Replacement of the Rate Schedule

To replace all the rates in a given schedule with a new set of tax rates, the user must enter a "5" as the first data image following the $RATES image. Each data image that follows contains a bracket in $'s, a tax rate in %'s, and an indicator.

The indicator is an integer zero (0), for all images except the last image, which contains a minus one (-1). The brackets and rates are real numbers. One image is required for each new bracket and tax rate combination. The images may be arranged in any order, and duplicate entries, if any, will be omitted from the schedule. The last image must be:

```
0.,0.,-1,
```

and indicates that all of the entries that constitute the rate schedule have been entered.

As an example, suppose that the user wants to replace the 1989 rate schedule for joint returns with the 1989 tax rates for singles. The images shown below would accomplish this objective.

```
 $RATES  SCHD=2,  OPTION=1,  $END
5,
0.,15.,0,
18550.,28.,0,
0.,0.,-1,
 $RATES OPTION=0,  $END
```

6.4.2.6 Method 6: Insert, Delete, or Modify the Rates

Many times it is desirable to insert, delete, or modify a tax bracket or rate without replacing the entire tax schedule. If the user specifies a "6" on the first data image following the $RATES image, then insertions, deletions, and modifications will be accepted in any order. Each image following the method "6" image will contain a bracket in $'s, a tax rate in %'s, and an indicator.

Table 6.6 illustrates how the data must be entered to achieve insertions, deletions, and modifications. In Table 6.6, B refers to an existing tax bracket, and B* refers to a new tax bracket. Similarly, R refers to an existing and new tax rate and R* refers to a new tax rate.

TABLE 6.6

FUNCTIONS AND THE FORMAT OF DATA ENTRY

Function	Enter Data As—
Insert	B*,R*,0,
Delete	B,R,1,
Replace	B,R,1, B*,R*,0,
Modify	B,R*,0,
Split a Bracket	B,R*,0, B*,R**,0,

B=Old Bracket	B*=New Bracket
R=Old Rate	R*=New Rate
R**=New Rate Not Equal To R*	

As an example, suppose that the user wants to modify Schedule 1 (Singles) by replacing the 15% bracket with a 14% bracket, by adding a 20% bracket at $15,000, and by raising the 28% bracket to $20,000. The images below will achieve the desired results.

```
 $RATES  SCHD=1,  OPTION=1,  $END
6,
0., 15., 1,
0., 14., 0,
15000.,20.,0,
18550.,28.,1,
20000.,28.,0,
0.,0.,-1,
 $RATES  OPTION=0,  $END
```

The user should note that the last image—

```
0.,0.,-1,
```

is required to terminate the changes to the specified rate schedule.

6.4.2.7 Method 7: Adjust Brackets by a Percentage Factor

If the user wishes to increase the tax brackets for Schedule 1 (Singles) by 10 percent for all the brackets, he would enter the images shown below.

```
 $RATES  SCHD=1,  OPTION=1,  $END
7,
10.,
 $RATES  OPTION=0,  $END
```

6.4.3 STACKING OPTIONS AND METHODS

Each of the options and methods can be stacked easily to achieve a set of complex changes to the rate schedules. For example, suppose the user wanted to combine the examples presented in 6.4.2.6 and. 6.4.2.7. That is—

(A) Modify Schedule 1 (Singles) by replacing the 15% bracket with a 14% bracket, by adding a 20% bracket at $15,000, and by raising the 28% bracket to $20,000, and,

(B) Adjust the schedule rates by 10% to reflect inflation.

These changes are achieved by the images illustrated below.

```
 $RATES  SCHD=1,  OPTION=1,  $END
6,
0., 15., 1,
0., 14., 0,
15000.,20.,0,
18550.,28.,1,
20000.,28.,0,
0.,0.,-1,
 $RATES  SCHD=1, OPTION=1,  $END
4,
10.,
 $RATES OPTION=0, $END
```

6.5 PARAMETERS WITH STATUTORY INDEXING

6.5.1 INDEXING RULES INTRODUCTION

Several dollar parameters are adjusted each year for inflation. Different rules for adjusting the parameters apply to different parameters. However, the Tax Model applies the appropriate indexing rules. The following subsections describe the indexing rules. The rules are summarized in Table 6.7.

6.5.1.1 Pre-OBRA90 Law Indexing Rules

This subsection describes the inflation indexing rules for all dollar parameters adjusted for inflation under pre-OBRA90 law except the earned income tax credit (EITC). The rules for the EITC are described in a subsequent section.

Under pre-OBRA90 law, the dollar parameters adjusted for inflation are tax brackets, standard deductions, the "bubble" starting points, and personal exemptions. Except the personal exemption, these parameters are adjusted from their 1988 levels based on inflation since 1987, as measured by the Consumer Price Index (CPIU). Personal exemptions are adjusted from their 1989 levels. The parameters are rounded down to the nearest $50 increment. The inflation adjustment for any given year is equal to the sum of the 12 monthly CPIU values ending in August of the previous year divided by the sum of the 12 monthly CPIU values ending in August of 1987 (August of 1988 for personal exemptions). For example, the level for personal exemptions in 1991 is determined by adjusting the level of personal exemptions in 1989 ($2000) by the ratio of the 12-month sum of the CPIU values ending in August of 1988 to the 12-month sum of the values ending in August of 1990. The amount is then rounded down to the nearest $50. The indexing rules for tax parameters under pre-OBRA90 law are summarized as follows.

- Inflation is measured by the change in the sum of 12 monthly CPIU values ending in August of each year,
- The base year is 1988 levels for rates brackets, "bubble" phase-outs, and standard deductions. The base year for personal exemptions is 1989.
- Values are rounded down to the nearest $50 increment.

6.5.1.2 OBRA90 Law Indexing Rules

The Tax Reform Act added new parameters to be automatically adjusted for inflation. The inflation adjustment rules for new dollar parameters introduced by OBRA90 law are basically the same as those under pre-OBRA90 law. The additional parameters that

are adjusted for inflation relate to the phase-out of personal exemptions and the phase-out of itemized deductions. The base year for these parameters is 1991. Further, the base year for adjusting the tax brackets under OBRA90 law is 1990.

6.5.1.3 Earned Income Tax Credit Indexing Rules

The rules for adjusting EITC dollar parameters are slightly different. The base value for the ending point of the EITC's phase-in range is $5,714. The base value for the starting point of the EITC's phase-out range is $9,000. The inflation adjustment for these two values is equal to the sum of the 12 monthly CPIU values ending in August of the previous year divided by the sum of the 12 monthly CPIU values ending in August of 1984. Adjusted values are rounded to the nearest $10.

TABLE 6.7

SUMMARY RULES FOR INDEXING TAX PARAMETERS AND RATE SCHEDULES

Tax Parameter	Description	Statutory Indexing Rule
E*(1), E*(2), E*(3), E*(4)	Personal Exemptions	Basic indexing rules are applied. Base year is 1989.
PIN*(23), PIN*(24), PIN*(25), PIN*(26), PIN*(27), PIN*(28), PIN*(29)	Standard Deduction Amounts.	Basic indexing rules are applied. Base year is 1988.
PIN*(70), PIN*(71), PIN*(72), PIN*(73)	Earned Income Credit Parameters	Special EITC adjustment rules apply (see subsection 6.5.3).
PIN*(76), PIN*(77), PIN*(78)	"Bubble" Surtax Starting Point	Basic indexing rules are applied. Base year is 1988.
TR*(01), TR*(02), TR*(03), TR*(05)	Personal Exemption and Itemized Deductions Phase-out Parameters.	Basic indexing rules are applied. Base year is 1991.
TY*()	Tax Rate Brackets under pre-OBRA90 law	Basic indexing rules are applied. Base year is 1988.
TY*()	Tax Rate Brackets under OBRA90 law	Basic indexing rules are applied. Base year is 1990.

6.6 SUMMARY OF TAX PARAMETER AND RATES IMAGES

The tax parameter and tax rates data images must be inserted following the run preparation data images in a specific order. Table 6.8 summarizes the order of the PLN* and RATES images. In addition, Figure 6.2 illustrates a set of data images for NEWY=2, which involve tax parameter and tax rate changes to Plan Y.

TABLE 6.8

ORDER OF TAX PARAMETER AND RATES IMAGES

Data image	Condition
$PLNX	If NEWX=1 or 2
$RATES	If NEWX=2 or 3
$PLNY	If NEWY=1 or 2
$RATES	If NEWY=2 or 3
$PLNZ	If NEWZ=1 or 2
$RATES	If NEWZ=2 or 3

FIGURE 6.2

EXAMPLE INPUT FOR TAX PARAMETER AND RATE CHANGES

```
 $OUTPUT  UOA=1,              $END
 $EDIT    STUBSDF=1.10,       $END
 $CHANGE  PLANX=1, NEWY=2,  $END
 $PLNY    PINY(52)=.25, PINY(63)=40000.,
          PINY(64)=50000., PINY(65)=40000., $END
 $RATES  SCHD=1,  OPTION=1,  $END
7,
10.,
 $RATES  SCHD=2,  OPTION=1,  $END
7,
10.,
 $RATES  SCHD=3,  OPTION=1,  $END
7,
10.
 $RATES  OPTION=0,  $END
```

6.7 CONTROL STREAM FOR A TAX MODEL RUN

In order to make a Tax Model run, some file manipulation is required prior to the actual input of the data images. The bulk of the file manipulation has been prepared in advance, so that only the control statements shown in Figure 6.3 are needed to produce a run from data images. Control statements begin with a '$'. The information preceded by a '!' on the right hand side of each control statement need not be included on the image, since this information is a comment, and, therefore, does not produce any actions by the computer system.

FIGURE 6.3

SKELETON CONTROL STREAM (COMMAND FILE) FOR A TAX MODEL RUN

```
$ !
$ ! Define & Create Temporary work area
$ !
$ WORK_DIR = F$TRNLNM("SCRATCH$")
$ JOB_DIR  = F$EXTRACT(0,F$LOCATE("]",WORK_DIR),WORK_DIR) -
           +"."+"I0000"+"]"
$ CREATE/DIRECTORY   'JOB_DIR'
$ !
$ DEFINE model_dir UD27:[CILKE.WORKING.R_AND_D.RECEIPTS]
$ !
$ ! Create title page
$ !
$ DEFINE TITLEPAGE 'JOB_DIR'TITLEPAGE.DAT
$ RUN model_dir:COVER_PAGE
RUN NO:0000    SOI 1989 FOR:
TITLE X:  V12 MODEL RUN, 1989 law at 1989 levels
TITLE Y:
TITLE Y:  SKELETON RUN STREAM
TITLE Y:
 $SAMPLE NLAW=1989, NSTOP=110566, NLEV=1989, NRET=110566,
         CAF=0, MATCH=0, $END
$ !
$ DEFINE INPUT1 data_dir:SOI89_STD.PCK
$ DEFINE INPUT2 data_dir:SOI89_CAF.PCK
$ !
$ SET DEFAULT model_dir:
$ DEFINE MODEL       'JOB_DIR'
$ @MODEL_COPY_WV12
$ !
$ @SCENARIO_V12 A N
$ SET VERIFY
$ !
$ ! ********************************************************
$ SET DEFAULT         MODEL
$ PURGE
$ EJECT
$ !
$ ! Define & Create File of Editing Changes
$ !
$ SET VERIFY
$ DEFINE EDIT_FILE   'JOB_DIR'EDIT.COM;
$ CREATE EDIT_FILE
$ DECK/DOLLARS
$ EDIT/SUM MAIN2.FOR/UPDATE=SYS$INPUT
-17
      PARAMETER NRA=10, NCA=??, NTA=?, NWA=NRA*NCA*NTA,
     &          NRAM1=NRA-1
      DOUBLE PRECISION XA(NRA,NCA,NTA)
      DIMENSION ISCXA(NCA)
```

FIGURE 6.3 (continued)

SKELETON CONTROL STREAM (COMMAND FILE) FOR A TAX MODEL RUN

```
      DATA ISCXA /???/
      DATA XA /NWA*0./
-56
C
C     AFTER CALL TO SAMPLE
C
-64
C
C     AFTER PLAN X
C
      JX = INDEXB(AGIX,STUBS,NRA,1.0)
      XA(JX,01,1) = XA(JX,01,1) + WT
-71
C
C     AFTER PLAN Y
C
-142
      DO 800 K=1,NTA
      DO 800 J=1,NCA
      DO 800 I=1,NRAM1
  800 XA(NRA,J,K) = XA(NRA,J,K) + XA(I,J,K)
      DO 810 K=1,NTA
  810 CALL TABOUT(XA(1,1,K),NRA,NCA,STUBS,ISCXA)
C
/
$ EOD
$ !
$ SET NOVERIFY
$ @EDIT_FILE
$ DELETE EDIT_FILE
$ SET VERIFY
$ !
$ ! Compile and link
$ !
$ SET NOVERIFY
$ FOR/CHECK=ALL MAIN2
$ SET VERIFY
$ !
$ SET VERIFY
$ @LINK 'JOB_DIR'
$ SET VERIFY
$ !
$ SET RMS/BUFF=2/DISK
$ !
$ ! Run Simulation Model.
$ !
$ SET NOVERIFY
$ SET DEF MODEL
```

FIGURE 6.3 (continued)

SKELETON CONTROL STREAM (COMMAND FILE) FOR A TAX MODEL RUN

```
$ RUN/NODEBUG 'JOB_DIR'MODEL.EXE
 $OUTPUT       $END
 $EDIT         $END
 $CHANGE       $END
$ EJECT
$ SET VERIFY
$ !
$ ! Delete Working Directories & Files.
$ !
$ SET NOVERIFY
$ IF "''P2'" .EQS. "A" THEN EXIT
$ SET DEFAULT 'JOB_DIR'
$ DELETE *.*;*
$ SET DEFAULT SCRATCH$
$ DELDIR I0000
$ SET VERIFY
$ !
$ ! WAIT 00:00:05
$ EXIT
```

APPENDIX 6-A

BASIC TAX PARAMETERS UNDER 1989 LAW AND 1991 LAW

TAX PARAMETER DESCRIPTION	VARIABLE NAME		PRE-OBRA90 LAW 1989 VALUE	OBRA90 LAW 1991 VALUE
EXEMPTIONS, Taxpayer	E*(1)	$	2000.00	2150.00
EXEMPTIONS, Aged	E*(2)	$	0.00	0.00
EXEMPTIONS, Blind	E*(3)	$	0.00	0.00
EXEMPTIONS, Dependent	E*(4)	$	2000.00	2150.00
CAPITAL GAINS/LOSSES: Exclusion Rate on Gains	PIN*(01)	%	0.00	0.00
CAPITAL GAINS/LOSSES: Exclusion Rate on Losses	PIN*(02)	%	0.00	0.00
CAPITAL GAINS/LOSSES: Loss Limitation	PIN*(03)	$	3000.00	3000.00
Percent of SECA Taxes Deducted from AGI	PIN*(04)	%	0.00	50.00
Passive Loss Phase-In Percent Relative to 1989	PIN*(05)	%	0.00	100.00
SOCIAL SECURITY: Percent of SS in base income	PIN*(06)	%	50.00	50.00
SOCIAL SECURITY: Inclusion Rate of Benefits in AGI	PIN*(07)	%	50.00	50.00
SOCIAL SECURITY: Base Income, Single	PIN*(08)	$	25000.00	25000.00
SOCIAL SECURITY: Base Income, Joint	PIN*(09)	$	32000.00	32000.00
SOCIAL SECURITY: Base Income, H.H.	PIN*(10)	$	25000.00	25000.00
SOCIAL SECURITY: Base Income, M.F.S.	PIN*(11)	$	0.00	0.00
IRAS: AGI Level for Ded. Phase-out, Start, Single	PIN*(12)	$	25000.00	25000.00
IRAS: AGI Level for Ded. Phase-out, Start, Joint	PIN*(13)	$	40000.00	40000.00
IRAS: AGI Level for Ded. Phase-out, Start, HH	PIN*(14)	$	25000.00	25000.00
IRAS: AGI Level for Ded. Phase-out, Start, MFS	PIN*(15)	$	0.00	0.00
IRAS: AGI Level for Ded. Phase-out, End, Single	PIN*(16)	$	35000.00	35000.00
IRAS: AGI Level for Ded. Phase-out, End, Joint	PIN*(17)	$	50000.00	50000.00
IRAS: AGI Level for Ded. Phase-out, End, HH	PIN*(18)	$	35000.00	35000.00
IRAS: AGI Level for Ded. Phase-out, End, MFS	PIN*(19)	$	10000.00	10000.00
IRAS: Deduction Rate in AGI Phase-out	PIN*(20)	%	20.00	20.00
IRAS: Spousal Deduction Rate in AGI Phase-out	PIN*(21)	%	22.50	22.50
IRAS: Minimum Deduction Amount	PIN*(22)	$	200.00	200.00
STANDARD DEDUCTION: Regular, Single	PIN*(23)	$	3100.00	3400.00
STANDARD DEDUCTION: Regular, Joint	PIN*(24)	$	5200.00	5700.00
STANDARD DEDUCTION: Regular, HH	PIN*(25)	$	4550.00	5000.00
STANDARD DEDUCTION: Blind and Elderly, Single	PIN*(26)	$	750.00	850.00
STANDARD DEDUCTION: Blind and Elderly, Joint	PIN*(27)	$	600.00	650.00
STANDARD DEDUCTION: Blind and Elderly, HH	PIN*(28)	$	750.00	850.00
STANDARD DEDUCTION: Dependents	PIN*(29)	$	500.00	550.00
CHARITABLE: Percent of AGI Floor	PIN*(30)	%	50.00	50.00
CONSUMER INTEREST: Amt. Allowed relative to 89	PIN*(31)	%	0.00	100.00
INVESTMENT INTEREST: Amt. Allowed relative to 89	PIN*(32)	%	0.00	100.00
MEDICAL EXPENSE: Percent of AGI Floor	PIN*(33)	%	7.50	7.50
MISCELLANEOUS EXPENSE: Percent of AGI Floor	PIN*(34)	%	2.00	2.00
CASUALITY LOSS DEDUCTION: Absolute Floor	PIN*(35)	$	100.00	100.00
CASUALITY LOSS DEDUCTION: Percent of AGI floor	PIN*(36)	%	10.00	10.00
KIDDY TAX: Minimum Deduction	PIN*(37)	$	1000.00	1000.00

APPENDIX 6-A (Continued)

BASIC TAX PARAMETERS UNDER 1989 LAW AND 1991 LAW

TAX PARAMETER DESCRIPTION	VARIABLE NAME		PRE-OBRA90 LAW 1989 VALUE	OBRA90 LAW 1991 VALUE
SCH-R ELDERLY CR: Initial Amt. One Over-65	PIN*(38)	$	5000.00	5000.00
SCH-R ELDERLY CR: Initial Amt. Two Over-65	PIN*(39)	$	7500.00	7500.00
SCH-R ELDERLY CR: Initial Amt. M.F.S	PIN*(40)	$	3750.00	3750.00
SCH-R ELDERLY CR: AGI Limitation, Single	PIN*(41)	$	7500.00	7500.00
SCH-R ELDERLY CR: AGI Limitation, Joint	PIN*(42)	$	10000.00	10000.00
SCH-R ELDERLY CR: AGI Limitation, M.F.S	PIN*(43)	$	5000.00	5000.00
SCH-R ELDERLY CR: Excess AGI Reduction Rate	PIN*(44)	%	50.00	50.00
SCH-R ELDERLY CR: Credit Rate	PIN*(45)	%	15.00	15.00
CHILD CARE CR: Max Qualifying Expense/Dependent	PIN*(46)	$	2400.00	2400.00
CHILD CARE CR: Max Qualifying Expense for All	PIN*(47)	$	4800.00	4800.00
CHILD CARE CR: Max Rate for Qualifying Expense	PIN*(48)	%	30.00	30.00
CHILD CARE CR: Phaseout Start	PIN*(49)	$	10000.00	10000.00
CHILD CARE CR: Phaseout Dollar Increment	PIN*(50)	$	2000.00	2000.00
CHILD CARE CR: Phaseout Rate Increment	PIN*(51)	%	1.00	1.00
CHILD CARE CR: Min Rate for Qualifying Expense	PIN*(52)	%	20.00	20.00
CHILD CARE CR: Employer-Provided Care Exclusion	PIN*(53)	$	5000.00	5000.00
GENERAL BUSINESS CR: Limitation Base Amt.	PIN*(54)	$	25000.00	25000.00
GENERAL BUSINESS CR: Excess Inclusion rate	PIN*(55)	%	75.00	75.00
AMT: Additional AGI floor on Medical Expenses	PIN*(56)	%	2.50	2.50
AMT: Max Allow Investment interest over income	PIN*(57)	$	10000.00	10000.00
AMT: Percent of excess interest as a preference	PIN*(58)	%	20.00	0.00
AMT: Maximum Percent for NOL deduction	PIN*(59)	%	90.00	90.00
AMT: Phase-out for Credit Carryover, Start, Single	PIN*(60)	$	112500.00	112500.00
AMT: Phase-out for Credit Carryover, Start, Joint	PIN*(61)	$	150000.00	150000.00
AMT: Phase-out for Credit Carryover, Start, HH	PIN*(62)	$	112500.00	112500.00
AMT: Exemption Amount, Single	PIN*(63)	$	30000.00	30000.00
AMT: Exemption Amount, Joint	PIN*(64)	$	40000.00	40000.00
AMT: Exemption Amount, HH	PIN*(65)	$	30000.00	30000.00
AMT: Rate for Reducing AMT Exemption	PIN*(66)	%	25.00	25.00
AMT: Exemption Amount for Dependents	PIN*(67)	$	1000.00	1000.00
AMT: Tax Rate	PIN*(68)	%	21.00	21.00
AMT: Tentative AMT which a FTC cannot offset	PIN*(69)	%	10.00	10.00
EARNED INCOME CR: Maximum AGI for Credit	PIN*(70)	$	19340.00	21243.00
EARNED INCOME CR: Credit Phase-in End	PIN*(71)	$	6500.00	7140.00
EARNED INCOME CR: Credit Phase-Out Start	PIN*(72)	$	10240.00	11246.00
EARNED INCOME CR: Maximum Credit	PIN*(73)	$	910.00	1000.00
EARNED INCOME CR: Credit Phase-in Rate	PIN*(74)	%	14.00	14.00
EARNED INCOME CR: Credit Phase-out Rate	PIN*(75)	%	10.00	10.00
15% BRACKET PHASE-OUT: Start of Phase-out, Single	PIN*(76)	$	44900.00	49300.00
15% BRACKET PHASE-OUT: Start of Phase-out, Joint	PIN*(77)	$	74850.00	82200.00
15% BRACKET PHASE-OUT: Start of Phase-out, HH	PIN*(78)	$	64200.00	70500.00

APPENDIX 6-B

OBRA90 LAW TAX PARAMETERS AT 1991 LEVELS

TAX PARAMETER DESCRIPTION	VARIABLE NAME		OBRA90 LAW 1991 VALUE
EXEMPTION PHASE-OUT: Starting Point, Single	TR*(01)	$	100000.00
EXEMPTION PHASE-OUT: Starting Point, Joint	TR*(02)	$	150000.00
EXEMPTION PHASE-OUT: Starting Point, HH	TR*(03)	$	125000.00
EXEMPTION PHASE-OUT: Phase-out Length	TR*(04)	$	122500.00
DEDUCTIONS PHASE-OUT: Starting Point,	TR*(05)	$	100000.00
DEDUCTIONS PHASE-OUT: Phase-out Rate	TR*(06)	%	3.00
DEDUCTIONS PHASE-OUT: Maximum Percent Phased Out	TR*(07)	%	80.00
AMT: Tax Rate	TR*(08)	%	24.00
EARNED INCOME CR: Maximum AGI, One Child	TR*(09)	$	21243.00
EARNED INCOME CR: Phase-in End, One Child	TR*(10)	$	7140.00
EARNED INCOME CR: Phase-Out Start, One Child	TR*(11)	$	11246.00
EARNED INCOME CR: Maximum Credit, One Child	TR*(12)	$	1192.38
EARNED INCOME CR: Phase-in Rate, One Child	TR*(13)	%	16.70
EARNED INCOME CR: Phase-out Rate, One Child	TR*(14)	%	11.93
EARNED INCOME CR: Maximum Credit, Two+ Children	TR*(15)	$	1235.22
EARNED INCOME CR: Phase-in Rate, Two+ Children	TR*(16)	%	17.30
EARNED INCOME CR: Phase-out Rate, Two+ Children	TR*(17)	%	12.36
EARNED INCOME CR: Baby Credit Maximum	TR*(18)	$	357.00
EARNED INCOME CR: Baby Credit Phase-in Rate	TR*(19)	%	5.00
EARNED INCOME CR: Baby Credit Phase-out Rate	TR*(20)	%	3.57
EARNED INCOME CR: Health Ins. Cr. Maximum	TR*(21)	$	428.40
EARNED INCOME CR: Health Ins. Cr. Phase-in Rate	TR*(22)	%	6.00
EARNED INCOME CR: Health Ins. Cr. Phase-out Rate	TR*(23)	%	4.28

APPENDIX 6-C

BASIC TAX RATES UNDER 1989 LAW AND 1991 LAW

Pre-OBRA90 1989 Law Rates

SCHEDULE X- Single Taxpayers				SCHEDULE Y- Married Taxpayers &Qualifying Widows & Widowers				SCHEDULE Z- Heads of Household (including certain married persons who live apart)			
If the amount of Tax Table Income		then as tax Before Credit		If the amount of Tax Table Income		then as tax Before Credit		If the amount of Tax Table Income		then as tax Before Credit	
Is over---	But not over---	Enter	of the amount over---	Is over---	But not over---	Enter	of the amount over---	Is over---	But not over---	Enter	of the amount over---
$ 0.	$ 18550.	$ 0.+ 15.0%	$ 0.	$ 0.	$ 30950.	$ 0.+ 15.0%	$ 0.	$ 0.	$ 24850.	$ 0.+ 15.0%	$ 0.
$ 18550.	.....	$ 2783.+ 28.0%	$ 18550.	$ 30950.	.....	$ 4643.+ 28.0%	$ 30950.	$ 24850.	.....	$ 3728.+ 28.0%	$ 24850.

OBRA90 law 1991 Rates

SCHEDULE X- Single Taxpayers				SCHEDULE Y- Married Taxpayers & Qualifying Widows & Widowers				SCHEDULE Z- Heads of Household (including certain married persons who live apart)			
If the amount of Tax Table Income		then as tax Before Credit		If the amount of Tax Table Income		then as tax Before Credit		If the amount of Tax Table Income		then as tax Before Credit	
Is over---	But not over---	Enter	of the amount over---	Is over---	But not over---	Enter	of the amount over---	Is over---	But not over---	Enter	of the amount over---
$ 0.	$ 20350.	$ 0.+ 15.0%	$ 0.	$ 0.	$ 34000.	$ 0.+ 15.0%	$ 0.	$ 0.	$ 27300.	$ 0.+ 15.0%	$ 0.
$ 20350.	$ 49300.	$ 3053.+ 28.0%	$ 20350.	$ 34000.	$ 82150.	$ 5100.+ 28.0%	$ 34000.	$ 27300.	$ 70450.	$ 4095.+ 28.0%	$ 27300.
$ 49300.	.....	$ 11159.+ 31.0%	$ 49300.	$ 82150.	.....	$ 18582.+ 31.0%	$ 82150.	$ 70450.	.....	$ 16177.+ 31.0%	$ 70450.

Chapter 7

TAX MODEL OUTPUT TABLES

7.1 INTRODUCTION

The previous chapter describes how the Tax Model is executed. This section describes the printed output from a Tax Model run. Output from the Tax Model consists of the six sections outlined below:

Section 1 - Pre-exection listings	
Section 2 - Control stream changes and control stream listings,	
Section 3 - Tax Model run description and tax parameters	— PHASE I
Section 4 - Intermediate output	— PHASE II
Section 5 - Tabulated tax statistics	— PHASE III
Section 6 - Post-execution listings	

7.2 PRE-EXECUTION LISTINGS

7.2.1 THE LOGIN LISTING

Figure 7.1 presents the login listing. Normally this listing is discarded. However, the listing can indicate system problems.

7.2.2 ASSIGNMENT LISTING

Figure 7.2 illustrates an example assignment listing. The run stream used to generate the listing is presented in the boxed area in Figure 7.2. The operations invoked by each command shown in the listing are described below. Again, this listing is usually discarded. The user should, however, scan the listing before discarding it to ensure that the proper files were used.

A simulation run requires storage for temporary files, listings and other operations. The structure of a simulation run assumes that the user doesn't normally want to use his disk space but would rather use temporary storage. To meet this need, Treasury's Automated Systems Division (ASD) has established a SCRATCH disk where all files over 48 hours old are automatically purged.

When the simulation run "logs in" on the VAX, the system automatically creates a logical (named SCRATCH$) which points to the device/directory on SCRATCH that the run can use. The character representation of this device/directory on SCRATCH is obtained by the first line in Figure 7.2 and stored in the symbol WORK_DIR.

Since simultaneous simulation runs may be executing, each run's files must be uniquely identified within WORK_DIR. To achieve this, a subdirectory is created with the symbol JOB_DIR. The JOB_DIR subdirectory is named I0000 where 0000 is the run number. Lines 2 and 3 of Figure 7.2 show the DCL commands which create this subdirectory.

The next command line of Figure 7.2 defines the logical TITLEPAGE which points to the data file TITLEPAGE.DAT. This file will contain the title page output. The following DCL command line runs the COVER_PAGE program (executable). The remaining lines in Figure 7.2 are data inputs to the COVER_PAGE program.

7.2.3 THE COVER PAGE

Figure 7.3 presents the cover page that is printed by each execution of the Tax Model program. The serial number assigned to the run appears in the upper left hand corner of the cover page in digits that are approximately two inches high. In the lower right hand corner of the cover page is a box which contains a description of the Tax Model run. The first line in the box identifies the Model, the version of the Model, and the date the version of the Model was implemented. The second line contains the serial number of the run and the date and time of the run's execution. Following these lines is a listing of the law and level used in the simulation, the number of records processed, the data base used, and a description of the tax plans employed in the simulation. Finally, a citation appears at the bottom of the box.

7.2.4 CONTROL, EDIT, COMPILE, AND LINK LISTING

Figure 7.4 contains the output listing resulting from the VMS commands needed to run a Tax Model simulation. Comment cards in the listing provide a description of the function of each VMS command. Three sections of this output listing are of particular importance. First, the output of the SCENARIO command procedure identifies the level (year) of the simulation run and, for levels beyond 1989, the economic assumptions used. The second section shows any editing changes to the Tax Model's subroutines. This section often concisely summarizes the coding changes needed to run a simulation. In this example, a line of code is inserted after line 64 (after Plan X is called) that wipes out moving

expenses as an itemized deduction. Thus, Plan Y is identical to Plan X except that moving expenses are not allowed as an itemized deduction. The third section presents, if any, compiler and linker warning and error listings.

7.3 PHASE I OUTPUT

7.3.1 TAX MODEL RUN DESCRIPTION

Figure 7.5 illustrates the output from Phase I of a Tax Model run. The first line of this output identifies the Model, the version of the Model, the run number assigned to the simulation, and the date and time of the run's execution. This identification line appears on each page of the Tax Model's output. The second line shows that Phase I was initiated. These lines are followed by four sections. Each section describes the parameters entered on the run-description cards, the $SAMPLE card, the $OUTPUT card, the $EDIT card, and the $CHANGE card. The information printed under each section will be determined by the user-supplied parameters or by the program's default values.

7.3.2 TAX PARAMETERS

Whenever any tax parameters change as a result of new values entered on the $PLNX, $PLNY, $PLNZ, or $RATES images, two tables are printed which contain the new parameter set and rate schedules. The parameter table of text is presented in Figure 7.6. The tax rate schedules are presented in Figure 7.7.

7.4 PHASE II INTERMEDIATE OUTPUT

Figure 7.8 presents the intermediate output. This output consists of the following information.

(A) The first line shows the starting point for PHASE II output.

(B) The next line shows the amount of core required for tabulating the tables. Usually, this line will read "2151 WORDS OF STORAGE ARE REQUIRED."

(C) The next set of lines indicate the data file was opened for input. First, the name of the data file is printed. Next, the number of records on the data set and the number of records to be processed (in parenthesis) are shown. Third is the number of variables and the number of long-words per record. Finally, the status word from the VNTRAN_OPEN command is printed. This should always have the value of one.

(D) The next block of lines are only printed if the Tax Model's extrapolation routines are needed. Here the out year and base year are printed, as well as the per capita blowup factors. In addition, a line is printed indicating that the companion extrapolation weight file was opened. In this particular example, the Model run was at 1989 levels; and so no lines from the extrapolation routines are printed.

(E) The next set of lines indicate that the tax calculators are called.

(F) At every 10,000th record, a line is printed indicating that the record is being processed. In the case of an extrapolation run, a line is printed after every 10,000th new weight is read.

(G) The next set of lines shows that the data file was closed. Shown here are the number of records and blocks processed, and the value of the end-of-file variable. The end-of-file variable should always have the value of four.

The items in (C) and (G) will be printed each time an additional volume of the data base is opened and closed.

(H) The next set of lines provides an accounting of the returns read from the tax sample and how many were or were not used in constructing the tables. The next two lines show the number of weighted returns that preferred Plan Y as opposed to Plan Z.

(I) The last line shows that Phase II was completed. This is the last executable statement in Phase II.

7.5 PHASE III, THE TABULATED TAX STATISTICS

7.5.1 INTRODUCTION

Phase III contains the printed output tables. All tables in Phase III follow the style employed by the Office of Tax Analysis. The tables follow the following formatting conventions:

(A) All tables contain an identification line as the first line on the page. This line identifies the version of the Model, the run number, and the date and time of the Model run.

(B) The table number appears on a separate line so that it can easily be located. Further, the titles accurately reflect the contents of the table.

(C) All tables contain a line that signifies the level year employed to produce the estimations.

(D) All tables contain a footer which credits the Treasury Department and the Office of Tax Analysis. The line also presents the date the table was produced.

7.5.2 TABLE 01: SUMMARY VALUES OF MAJOR TAX VARIABLES

Table 01 presents a one-page summary of the major variables affecting tax liability under Plan X and Plan Y, as well as the any change between the two plans. Figure 7.9 presents an example of Table 03 under a simulation where the moving expense deduction is repealed.

7.5.3 TABLE 02: LEVELS OF TAXABLE INCOME BY MARGINAL TAX RATES

Table 02 presents, by tax bracket class, the number of returns and levels of three items within each tax bracket: taxable income, taxable income without long term capital gains, and long term capital gains. By default, taxable income and long term capital gains under Plan X are tabulated. At this time, only the tax brackets under pre-OBRA90 law and OBRA90 law are available. An example of Table 02 is shown in Figure 7.10.

7.5.4 TABLE 03: DISTRIBUTION OF TAX CHANGE & RETURNS

Table 03 presents a summary of the number of returns affected and their associated tax change for each filing status (single, joint, head-of-household, and all returns). Figure 7.11 presents an example of Table 03. Each return that has a tax change will be tabulated in either the "TAX DECREASE" or the "TAX INCREASE" columns. In addition, a return with a tax decrease may also be tabulated in the "PRESENTLY TAXABLE RETURNS MADE NON-TAXABLE" column and a return with a tax increase may also be tabulated in the "PRESENTLY NON-TAXABLE RETURNS MADE TAXABLE" column. A return may also be tabulated in the "RETURNS WHICH CHANGED THEIR TYPE OF DEDUCTION" columns.

This table will automatically be printed if at least one return has a change in tax liability greater than one dollar. The user may elect to have the results distributed by some other income concept as documented in Section 6.2.4.

7.5.5 TABLE 04: SUMMARY EFFECTS OF THE PROPOSAL

Table 04 is a one page summary of major tax variables under Plan X and Plan Y. This table summarizes the effects of most proposals. By default, if the unit of analysis is returns, then variables in Table 04 will be distributed by Plan X AGI. If the unit of analysis is families, then family economic income will be the distributor. However, the user may elect to have the results distributed by some other income concept as documented in Section 6.2.4. As shown in Figure 7.12, the items that appear in Table 04 are:

(A) The weighted and unweighted number of returns used to construct the tables.

(B) The number of taxable returns under Plan X and Plan Y.

(C) The level of AGI under Plan X, Plan Y, and the change in AGI.

(D) The level of taxable income under Plan X, Plan Y, and the change in taxable income.

(E) The number of returns with itemized deductions under Plan X and Plan Y.

(F) The level of excess itemized deductions under Plan X and Plan Y.

(G) The combined value of exemptions and standard deductions under Plan X and Plan Y.

(H) The value of the earned income tax credit under Plan X and Plan Y.

(I) Alternative Minimum Tax liabilities under Plan X and Plan Y.

(J) The number of returns subject to the alternative minimum tax under Plan X and Plan Y.

(K) The sum of all positive tax liabilities for Plan X and Plan Y.

(L) The sum of all negative tax liabilities for Plan X and Plan Y.

(M) The net sum of tax liabilities for Plan X and Plan Y, and the change in liabilities.

7.6 POST-EXECUTION LISTING

The final section of output from a successful Tax Model run is the post-execution listing. Here, the results of post-execution tasks are shown. Two tasks are generally performed during post execution. First, the working files and directories are deleted. This action does not usually produce output. Second, a summary of the total computer resources used by the Tax Model run is produced. The second task always occurs with any batch job on the VAX. Figure 7.13 presents an example of a post-execution listing.

FIGURE 7.1

LOGIN LISTING

```
$!      SYLOGIN.COM                             ! Cluster Wide Login
$       set noon
$       DEFINE SYS$OUTPUT NL:                   ! Don't clutter up batch log
$       WO " "

$       WO "            You are accessing node OA5 "
            You are accessing node OA5
$       WO " "

$       DEFINE SYS$OUTPUT NL:
$       @LOGIN
$ ! ********************************************************************
$ ! * LOGIN.COM (VAX Default)                                           *
$ ! ********************************************************************
$ !
$ ! A. Command Procedure Setup
$ !
$ SAVE_VERIFY_IMAGE = F$ENV("VERIFY_IMAGE")
$ SAVE_VERIFY_PROC  = F$VERIFY(0)
 Office of Tax Analysis LOGIN.COM
Date: 23-MAR-1993 Time: 15:26:27

BATCH Mode
Node name ..... OA5
Process ID ..... 21000AE4
Default directory.. [user]
Default print queue LPS40$LPS401
Scratch disk ..... UD11:[SCRATCH.user]

... Symbols
... Logicals
... Exit OTA LOGIN.COM


 EM&CA Staff LOGIN.COM
... Symbols
... Exit EM&CA Staff LOGIN.COM


 user LOGIN.COM
... Exit User LOGIN.COM

$ EXIT
$       DEFINE SYS$OUTPUT NL:
$       EXIT                                    ! Normal End of Login
```

FIGURE 7.2

AN ASSIGNMENT LISTING EXAMPLE

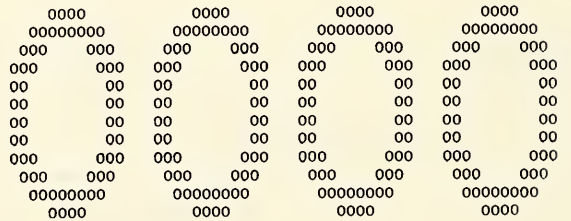
```
$ WORK_DIR = F$TRNLNM("SCRATCH$")
$ JOB_DIR  = F$EXTRACT(0,F$LOCATE("]",WORK_DIR),WORK_DIR)+"."+"I0000"+"]"
$ CREATE/DIRECTORY   UD11:[SCRATCH.user.I0000]
$ !
$ DEFINE TITLEPAGE UD11:[SCRATCH.user.I0000]TITLEPAGE.DAT
$ RUN WREC:COVER_PAGE
RUN NO:0000     SOI 1989 FOR:
TITLE X:  V12 MODEL RUN, 1989 law at 1989 levels
TITLE Y:
TITLE Y:  test run
TITLE Y:
 $SAMPLE NLAW=1989, NSTOP=110566, NLEV=1989, NRET=110566, MATCH=0, $END
```

RUN STREAM USED TO CREATE LISTING IN FIGURE 7.2

```
$ WORK_DIR = F$TRNLNM("SCRATCH$")
$ JOB_DIR = F$EXTRACT(0,F$LOCATE("]",WORK_DIR),WORK_DIR)+."+"''P1'"+"]"
$ CREATE/DIRECTORY   'JOB_DIR'
$ !
$ DEFINE TITLEPAGE 'MOD_DIR'TITLEPAGE.DAT
$ RUN WREC:COVER_PAGE
RUN NO:0000     SOI 1989 FOR:
TITLE X:  V12 MODEL RUN, 1989 law at 1989 levels
TITLE Y:
TITLE Y:  test run
TITLE Y:
 $SAMPLE NLAW=1989, NSTOP=110566, NLEV=1989, NRET=110566, MATCH=0, $END
```

FIGURE 7.3

AN EXAMPLE OF A COVER PAGE FROM A TAX MODEL RUN




```
**********************************************************************************
*                                                                                *
*        *TREASURY INDIVIDUAL TAX MODEL  Version 12: July 1991                   *
*                                                                                *
*         Run 0000  Date  March 23, 1993          Time...15:26:33                *
*                                                                                *
*                                 ***************************                    *
*  DESCRIPTION OF TAX MODEL RUN:                                                 *
*   1989 LAW AT  1989 LEVELS                                                     *
*   NUMBER OF RETURNS =110566                                                    *
*  PRODUCTION SAMPLE: STD                                                        *
*  RESTRICTED TO: :              ***************************                    *
*                                                                                *
*              ------------------------------------------------                  *
*    V12 MODEL RUN, 1989 law at 1989 levels                                      *
*                                                                                *
*                                                                                *
*    test run                                                                    *
*                                                                                *
*                                                                                *
*  Department of the Treasury                                                    *
*   Office of Tax Analysis                                                       *
*                                                                                *
**********************************************************************************
```

FIGURE 7.4

AN EXAMPLE OF A PRE-EXECUTION LISTING

```
FORTRAN STOP
$ !
$ DEFINE INPUT1 Data_logical:Base_file.PCK
$ DEFINE INPUT2 Data_logical:Supplemental_file.PCK
$ !
$ SET DEFAULT WREC
$ DEFINE MODEL       UD11:[SCRATCH.user.I0000]
$ @MODEL_COPY_WV12
$ SAVE_VERIFY_IMAGE = F$ENV("VERIFY_IMAGE")
$ SAVE_VERIFY_PROC  = F$VERIFY(0)

Executing model_logical:MODEL_COPY_WV12.COM;8
$ EXIT
$ !
$ @model_logical:SCENARIO_V12 A N

In 1989, SCENARIO selects actual 1989 law
$ ! ********************************************************
$ SET DEFAULT         MODEL
$ PURGE
$ EJECT
$ !
$ ! Define & Create File of Editing Changes
$ !
$ SET VERIFY
$ DEFINE EDIT_FILE   UD11:[SCRATCH.user.I0000]EDIT.COM;
$ CREATE EDIT_FILE
$ EDIT/SUM MAIN2.FOR/UPDATE=SYS$INPUT
-64
C
C     AFTER PLAN X
C
      EXMOVE = 0.
C
/
$ !
$ SET VERIFY
$ @LINK UD11:[SCRATCH.user.I0000]
$ !
$ ! Command Procedure Setup
$ !
$ SAVE_VERIFY_IMAGE = F$ENV("VERIFY_IMAGE")
$ SAVE_VERIFY_PROC  = F$VERIFY(0)

LINK: 23-MAR-1993 15:27:29.25
%DCL-I-SUPERSEDE, previous value of IV11 has been superseded
$ EXIT
$ SET VERIFY
$ !
$ SET RMS/BUFF=2/DISK
$ !
$ ! Run Simulation Model.
$ !
$ SET NOVERIFY
```

FIGURE 7.5

PHASE I LISTING FROM THE TAX MODEL

```
*TREASURY INDIVIDUAL TAX MODEL  Version 12: July 1991  Run 0000  Date  March 23, 1993          Time...15:26:33          Page   1


 **********PHASE I - PARAMETER INPUT *********
-----------TAX MODEL RUN DESCRIPTION----------
Run Number: 0000 Restricted to: :
Plan X IS   V12 MODEL RUN, 1989 law at 1989 levels
Plan Y IS
            test run

--------------SAMPLE DESCRIPTION--------------
SOI Base Year.................  1989 CY
Projected Levels for..........  1989 CY
Number of Tax Returns.........110566
Sample Selection..............  STD
MATCH Sample..................  NO
IMPUTATIONS - CPS File.......  NO

UNIT OF ANALYSIS ............Returns

PLAN X BASED ON TRA  LAW
PLAN Y BASED ON TRA  LAW
```

FIGURE 7.6

AN EXAMPLE OF THE TAX PARAMETERS LISTING TABLE

*TREASURY INDIVIDUAL TAX MODEL Version 12: July 1991 Run 0000 Date March 23, 1993 Time...15:26:33 Page 2

PLAN X TRA LAW TAX PARAMETERS

TAX PARAMETER DESCRIPTION	VARIABLE NAME		VALUE
INDEXING FACTOR, Statutory	FN	-	0.0000
INDEXING FACTOR, Inflation Adjustment	FR	-	0.0000
EXEMPTIONS, Taxpayer	E(1)	$	2000.00
EXEMPTIONS, Aged	E(2)	$	0.00
EXEMPTIONS, Blind	E(3)	$	0.00
EXEMPTIONS, Dependent	E(4)	$	2000.00
CAPITAL GAINS/LOSSES: Exclusion Rate on Gains	PIN(01)	%	0.00
CAPITAL GAINS/LOSSES: Exclusion Rate on Losses	PIN(02)	%	0.00
CAPITAL GAINS/LOSSES: Loss Limitation	PIN(03)	$	3000.00
Percent of SECA Taxes Deducted from AGI	PIN(04)	%	0.00
Passive Loss Phase-In Percent Relative to 1989	PIN(05)	%	0.00
SOCIAL SECURITY: Percent of SS in base income	PIN(06)	%	50.00
SOCIAL SECURITY: Inclusion Rate of Benefits in AGI	PIN(07)	%	50.00
SOCIAL SECURITY: Base Income, Single	PIN(08)	$	25000.00
SOCIAL SECURITY: Base Income, Joint	PIN(09)	$	32000.00
SOCIAL SECURITY: Base Income, H.H.	PIN(10)	$	25000.00
SOCIAL SECURITY: Base Income, M.F.S.	PIN(11)	$	0.00
IRAS: AGI Level for Ded. Phase-out, Start, Single	PIN(12)	$	25000.00
IRAS: AGI Level for Ded. Phase-out, Start, Joint	PIN(13)	$	40000.00
IRAS: AGI Level for Ded. Phase-out, Start, HH	PIN(14)	$	25000.00
IRAS: AGI Level for Ded. Phase-out, Start, MFS	PIN(15)	$	0.00
IRAS: AGI Level for Ded. Phase-out, End, Single	PIN(16)	$	35000.00
IRAS: AGI Level for Ded. Phase-out, End, Joint	PIN(17)	$	50000.00
IRAS: AGI Level for Ded. Phase-out, End, HH	PIN(18)	$	35000.00
IRAS: AGI Level for Ded. Phase-out, End, MFS	PIN(19)	$	10000.00
IRAS: Deduction Rate in AGI Phase-out	PIN(20)	%	20.00
IRAS: Spousal Deduction Rate in AGI Phase-out	PIN(21)	%	22.50
IRAS: Minimum Deduction Amount	PIN(22)	$	200.00
STANDARD DEDUCTION: Regular, Single	PIN(23)	$	3100.00
STANDARD DEDUCTION: Regular, Joint	PIN(24)	$	5200.00
STANDARD DEDUCTION: Regular, HH	PIN(25)	$	4550.00
STANDARD DEDUCTION: Blind and Elderly, Single	PIN(26)	$	750.00
STANDARD DEDUCTION: Blind and Elderly, Joint	PIN(27)	$	600.00
STANDARD DEDUCTION: Blind and Elderly, HH	PIN(28)	$	750.00
STANDARD DEDUCTION: Dependents	PIN(29)	$	500.00
CHARITABLE: Percent of AGI Floor	PIN(30)	%	50.00
CONSUMER INTEREST: Amt. Allowed relative to 89	PIN(31)	%	0.00
INVESTMENT INTEREST: Amt. Allowed relative to 89	PIN(32)	%	0.00
MEDICAL EXPENSE: Percent of AGI Floor	PIN(33)	%	7.50
MISCELLANEOUS EXPENSE: Percent of AGI Floor	PIN(34)	%	2.00
CASUALITY LOSS DEDUCTION: Absolute Floor	PIN(35)	$	100.00
CASUALITY LOSS DEDUCTION: Percent of AGI floor	PIN(36)	%	10.00
KIDDY TAX: Minimum Deduction	PIN(37)	$	1000.00

Department of the Treasury March 23, 1993
Office of Tax Analysis

FIGURE 7.6 (Continued)

AN EXAMPLE OF THE TAX PARAMETERS LISTING TABLE

PLAN X TRA LAW TAX PARAMETERS

TAX PARAMETER DESCRIPTION	VARIABLE NAME	VALUE
SCH-R ELDERLY CR: Initial Amt. One Over-65	PIN(38)	$ 5000.00
SCH-R ELDERLY CR: Initial Amt. Two Over-65	PIN(39)	$ 7500.00
SCH-R ELDERLY CR: Initial Amt. M.F.S	PIN(40)	$ 3750.00
SCH-R ELDERLY CR: AGI Limitation, Single	PIN(41)	$ 7500.00
SCH-R ELDERLY CR: AGI Limitation, Joint	PIN(42)	$ 10000.00
SCH-R ELDERLY CR: AGI Limitation, M.F.S	PIN(43)	$ 5000.00
SCH-R ELDERLY CR: Excess AGI Reduction Rate	PIN(44)	% 50.00
SCH-R ELDERLY CR: Credit Rate	PIN(45)	% 15.00
CHILD CARE CR: Max Qualifying Expense/Dependent	PIN(46)	$ 2400.00
CHILD CARE CR: Max Qualifying Expense for All	PIN(47)	$ 4800.00
CHILD CARE CR: Max Rate for Qualifying Expense	PIN(48)	% 30.00
CHILD CARE CR: Phaseout Start	PIN(49)	$ 10000.00
CHILD CARE CR: Phaseout Dollar Increment	PIN(50)	$ 2000.00
CHILD CARE CR: Phaseout Rate Increment	PIN(51)	% 1.00
CHILD CARE CR: Min Rate for Qualifying Expense	PIN(52)	% 20.00
CHILD CARE CR: Employer-Provided Care Exclusion	PIN(53)	$ 5000.00
GENERAL BUSINESS CR: Limitation Base Amt.	PIN(54)	$ 25000.00
GENERAL BUSINESS CR: Excess Inclusion rate	PIN(55)	% 75.00
AMT: Additional AGI floor on Medical Expenses	PIN(56)	% 2.50
AMT: Max Allow Investment interest over income	PIN(57)	$ 10000.00
AMT: Percent of excess interest as a preference	PIN(58)	% 20.00
AMT: Maximum Percent for NOL deduction	PIN(59)	% 90.00
AMT: Phase-out for Credit Carryover, Start, Single	PIN(60)	$112500.00
AMT: Phase-out for Credit Carryover, Start, Joint	PIN(61)	$150000.00
AMT: Phase-out for Credit Carryover, Start, HH	PIN(62)	$112500.00
AMT: Exemption Amount, Single	PIN(63)	$ 30000.00
AMT: Exemption Amount, Joint	PIN(64)	$ 40000.00
AMT: Exemption Amount, HH	PIN(65)	$ 30000.00
AMT: Rate for Reducing AMT Exemption	PIN(66)	% 25.00
AMT: Exemption Amount for Dependents	PIN(67)	$ 1000.00
AMT: Tax Rate	PIN(68)	% 21.00
AMT: Tentative AMT which a FTC cannot offset	PIN(69)	% 10.00
EARNED INCOME CR: Maximum AGI for Credit	PIN(70)	$ 19340.00
EARNED INCOME CR: Credit Phase-in End	PIN(71)	$ 6500.00
EARNED INCOME CR: Credit Phase-Out Start	PIN(72)	$ 10240.00
EARNED INCOME CR: Maximum Credit	PIN(73)	$ 910.00
EARNED INCOME CR: Credit Phase-in Rate	PIN(74)	% 14.00
EARNED INCOME CR: Credit Phase-out Rate	PIN(75)	% 10.00
15% BRACKET PHASE-OUT: Start of Phase-out, Single	PIN(76)	$ 44900.00
15% BRACKET PHASE-OUT: Start of Phase-out, Joint	PIN(77)	$ 74850.00
15% BRACKET PHASE-OUT: Start of Phase-out, HH	PIN(78)	$ 64200.00

FIGURE 7.7

AN EXAMPLE OF A TAX RATE SCHEDULE LISTING

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!PLAN X TAX RATE SCHEDULES

SCHEDULE X- Single Taxpayers				SCHEDULE Y- Married Taxpayers & Qualifying Widows & Widowers				SCHEDULE Z- Heads of Household (including certain married persons who live apart)			
If the amount of Tax Table Income		then as tax Before Credit		If the amount of Tax Table Income		then as tax Before Credit		If the amount of Tax Table Income		then as tax Before Credit	
Is over---	But not over---	Enter	of the amount over---	Is over---	But not over---	Enter	of the amount over---	Is over---	But not over---	Enter	of the amount over---
$ 0.	$ 18550.	$ 0.+ 15.0%	$ 0.	$ 0.	$ 30950.	$ 0.+ 15.0%	$ 0.	$ 0.	$ 24850.	$ 0.+ 15.0%	$ 0.
$ 18550.	.....	$ 2783.+ 28.0%	$ 18550.	$ 30950.	.....	$ 4643.+ 28.0%	$ 30950.	$ 24850.	.....	$ 3728.+ 28.0%	$ 24850.

FIGURE 7.8

PHASE II OUTPUT LISTING EXAMPLE

```
********PHASE II - INTERMEDIATE OUTPUT*******
   2151 Words of Storage Are Required


****** STANDARD FILE OPENED ******
UD33:[user.INDIVIDUAL.SDATA]SOI89_STD.PCK;1
Number of Records =    110566 (   110566)
Number of Variables and Long Words =      512      448


FILE INPUT1 OPENED WITH STATUS =   1

TAX CALCULATOR, PLAN X, TRA  LAW -- YEAR=      89


** FORM 8582 CALCULATOR -- UNDER   '89 LAW


TAX CALCULATOR, PLAN Y, TRA  LAW -- YEAR=      89
Processing at Record      10000
Processing at Record      20000
Processing at Record      30000
Processing at Record      40000
Processing at Record      50000
Processing at Record      60000
Processing at Record      70000
Processing at Record      80000
Processing at Record      90000
Processing at Record     100000
Processing at Record     110000

    ****** END OF FILE REACHED, INPUT FILE CLOSED ***
NUMBER OF BLOCKED PROCESSED =       2243
NUMBER OF RECORDS PROCESSED =     110566
VALUE OF INEOF              =          4

 -----------------TAX CALCULATOR STATISTICS-----------------
    110566 Sample returns were read from the input file
    110566 Sample returns were used to construct the tables
         0 Sample returns were not used to construct the tables
    112136. Weighted returns elected Plan Y tax
         0. Weighted returns elected Plan Z tax
*************PHASE II COMPLETED*************
```

FIGURE 7.9

AN EXAMPLE OF TABLE 01

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TABLE 01

SUMMARY TOTALS OF INCOME, DEDUCTIONS, CREDITS AND TAXES UNDER PLAN X AND Y

(1989 Levels of Income)

Variable	Plan X	Plan Y	Change
Wages	2449530.	2449530.	0.
Interest Income	220016.	220016.	0.
Dividend Income	81309.	81309.	0.
Schedule E Business Income	67980.	67980.	0.
Schedule C and Schedule F Incomes	132524.	132524.	0.
Included Long Term Capital Gains	141069.	141069.	0.
Capital Gains in AGI	146148.	146148.	0.
Social Security in AGI	17253.	17253.	0.
Passive Loss Adjustments	0.	0.	0.
Other Incomes	166594.	166594.	0.
Total Income	3281355.	3281355.	0.
IRA deductions	10828.	10828.	0.
Adjustment for SECA Taxes Paid	0.	0.	0.
Other AGI Adjustments	13745.	13745.	0.
Adjusted Gross Income	3256782.	3256782.	0.
Personal Exemptions	447512.	447512.	0.
Number of non-Itemizers (000)	80205.	80364.	159.
Standard Deduction	313890.	314575.	685.
Number of Itemizers (000)	31931.	31772.	-159.
Total Itemized Deductions	430885.	426497.	-4388.
Disallowed Itemized Deductions	0.	0.	0.
Taxable Income	2172936.	2176589.	3653.
Kiddy Taxes	107.	107.	0.
Special Taxes	1767.	1767.	0.
Total Tax Before Credits	438050.	438991.	941.
Elderly and Disabled Credit	63.	63.	0.
Dependent Care Credit	2438.	2438.	0.
Foreign Tax Credit	1309.	1310.	1.
Other Credits	892.	891.	-1.
Total Credits	4702.	4702.	0.
Tax After Credits	433303.	434244.	941.
Number Affected by AMT (000)	157.	157.	0.
AMT taxable income	28680.	28658.	-22.
Tentative AMT tax	4920.	4922.	2.
Tax Before Cr. + Special Taxes	4297.	4300.	3.
Final AMT Tax	838.	837.	-1.
Regular Earned Income Tax Credit	6634.	6634.	0.
Health Insurance Income Tax Credit	0.	0.	0.
New Baby Earned Income Tax Credit	0.	0.	0.
Final Income Tax Liability	427509.	428450.	940.
Number of Single Returns (000)	49959.	49959.	0.
Number of Joint Returns (000)	48176.	48176.	0.
Number of HH Returns (000)	11882.	11882.	0.
Number of MFS Returns (000)	2118.	2118.	0.
Number of Elderly Returns (000)	13304.	13304.	0.
Number of Dependent Filers (000)	10394.	10394.	0.

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FIGURE 7.10

AN EXAMPLE OF TABLE 02

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TABLE 02
TAXABLE INCOME AND LONG-TERM CAPITAL GAINS BY MARGINAL TAX RATE BRACKETS
Under Plan X (TRA)

(1989 Levels of Income)

Rate Bracket	Number Returns	Income In 15 % Bracket	Income In 28 % Bracket	Income In 33 % Bracket	Income In 28 % Bracket	Total Income
TAXABLE INCOME						
0% BRACKET	19881.	0.	0.	0.	0.	0.
15% BRACKET	64930.	676047.	0.	0.	0.	676047.
28% BRACKET	23200.	602507.	267936.	0.	0.	870443.
33% BRACKET	3237.	84609.	119943.	83704.	0.	288255.
28% POST-PHASEOUT	768.	19890.	27974.	71242.	206281.	325388.
AMT RETURNS	119.	2461.	1961.	2466.	5915.	12803.
TOTAL	112136.	1385514.	417814.	157412.	212197.	2172936.
TAXABLE INCOME WITHOUT LONG-TERM GAINS						
0% BRACKET	19881.	0.	0.	0.	0.	0.
15% BRACKET	64930.	666687.	0.	0.	0.	666687.
28% BRACKET	23200.	597411.	255352.	0.	0.	852764.
33% BRACKET	3237.	83338.	113377.	70687.	0.	267402.
28% POST-PHASEOUT	768.	19311.	26419.	62988.	145616.	254334.
AMT RETURNS	119.	2154.	1593.	1981.	3700.	9427.
TOTAL	112136.	1368901.	396742.	135655.	149315.	2050613.
LONG-TERM CAPITAL GAINS						
0% BRACKET	685.	0.	0.	0.	0.	7654.
15% BRACKET	4032.	30088.	0.	0.	0.	11702.
28% BRACKET	3481.	5164.	38210.	0.	0.	18709.
33% BRACKET	1207.	1324.	6565.	28919.	0.	21637.
28% POST-PHASEOUT	433.	640.	1570.	8259.	144494.	73996.
AMT RETURNS	59.	354.	432.	605.	4346.	7371.
TOTAL	9896.	47501.	46777.	37783.	148840.	141069.

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FIGURE 7.11

AN EXAMPLE OF TABLE 03

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TABLE 03

DISTRIBUTION OF TAX CHANGE AND NUMBER OF RETURNS AFFECTED. BY PLAN X AGI CLASS

(1989 Levels of Income)

PLAN X AGI CLASS (Dollars)	Presently Taxable Returns Made Nontaxable		Presently Nontaxable Returns Made Taxable		Returns With a Change in Tax Liability				Returns Which Changed Their Type of Deduction	
					Tax Decreases		Tax Increases'			
	Number of Returns (Units)	Amount of Tax Decrease ($ Mil)	Number of Returns (Units)	Amount of Tax Increase ($ Mil)	Number of Returns (Units)	Amount of Tax Decrease ($ Mil)	Number of Returns (Units)	Amount of Tax Increase ($ Mil)	Number of Returns (Units)	Amount of Tax Change ($ Mil)
SINGLE RETURNS										
********< 0.	0.	0.0	0.	0.0	0.	0.0	0.	0.0	0.	0.0
0.< 10000.	0.	0.0	0.	0.0	0.	0.0	5880.	1.6	4373.	0.9
10000.< 20000.	0.	0.0	2364.	2.1	0.	0.0	24227.	7.6	8894.	4.9
20000.< 30000.	0.	0.0	0.	0.0	0.	0.0	43578.	17.6	20950.	9.2
30000.< 50000.	0.	0.0	0.	0.0	0.	0.0	70182.	40.9	24408.	13.4
50000.< 75000.	0.	0.0	0.	0.0	0.	0.0	25925.	39.8	3448.	2.6
75000.< 100000.	0.	0.0	0.	0.0	0.	0.0	13973.	28.0	707.	2.3
100000.< 200000.	0.	0.0	0.	0.0	0.	0.0	6597.	13.1	0.	0.0
200000.<********	0.	0.0	0.	0.0	0.	0.0	1269.	2.6	213.	0.3
SINGLE RETURNS	0.	0.0	2364.	2.1	0.	0.0	191631.	151.0	62992.	33.7

PLAN X AGI CLASS (Dollars)	Presently Taxable Returns Made Nontaxable		Presently Nontaxable Returns Made Taxable		Returns With a Change in Tax Liability				Returns Which Changed Their Type of Deduction	
					Tax Decreases		Tax Increases'			
	Number of Returns (Units)	Amount of Tax Decrease ($ Mil)	Number of Returns (Units)	Amount of Tax Increase ($ Mil)	Number of Returns (Units)	Amount of Tax Decrease ($ Mil)	Number of Returns (Units)	Amount of Tax Increase ($ Mil)	Number of Returns (Units)	Amount of Tax Change ($ Mil)
JOINT RETURNS										
********< 0.	0.	0.0	0.	0.0	0.	0.0	29.	0.0	0.	0.0
0.< 10000.	0.	0.0	0.	0.0	0.	0.0	0.	0.0	0.	0.0
10000.< 20000.	0.	0.0	4932.	1.7	0.	0.0	14739.	4.0	4224.	1.5
20000.< 30000.	0.	0.0	6805.	4.1	0.	0.0	72158.	26.6	15013.	4.1
30000.< 50000.	0.	0.0	1621.	0.9	0.	0.0	175369.	80.1	34043.	16.3
50000.< 75000.	0.	0.0	0.	0.0	0.	0.0	183931.	191.7	27143.	25.1
75000.< 100000.	0.	0.0	0.	0.0	0.	0.0	115414.	206.0	6039.	9.4
100000.< 200000.	0.	0.0	72.	0.3	0.	0.0	89535.	200.5	620.	2.6
200000.<********	0.	0.0	1.	0.0	0.	0.0	20379.	55.1	286.	1.9
JOINT RETURNS	0.	0.0	13432.	7.0	0.	0.0	671554.	764.0	87367.	60.9

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FIGURE 7.11 (Continued)

AN EXAMPLE OF TABLE 03

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TABLE 03

DISTRIBUTION OF TAX CHANGE AND NUMBER OF RETURNS AFFECTED. BY PLAN X AGI CLASS

(1989 Levels of Income)

PLAN X AGI CLASS (Dollars)	Presently Taxable Returns Made Nontaxable: Number of Returns (Units)	Presently Taxable Returns Made Nontaxable: Amount of Tax Decrease ($ Mil)	Presently Nontaxable Returns Made Taxable: Number of Returns (Units)	Presently Nontaxable Returns Made Taxable: Amount of Tax Increase ($ Mil)	Returns With a Change in Tax Liability: Tax Decreases: Number of Returns (Units)	Returns With a Change in Tax Liability: Tax Decreases: Amount of Tax Decrease ($ Mil)	Returns With a Change in Tax Liability: Tax Increases': Number of Returns (Units)	Returns With a Change in Tax Liability: Tax Increases': Amount of Tax Increase ($ Mil)	Returns Which Changed Their Type of Deduction: Number of Returns (Units)	Returns Which Changed Their Type of Deduction: Amount of Tax Change ($ Mil)
HEAD OF HOUSE RETURNS										
********< 0.	0.	0.0	0.	0.0	0.	0.0	0.	0.0	0.	0.0
0.< 10000.	0.	0.0	0.	0.0	0.	0.0	0.	0.0	0.	0.0
10000.< 20000.	0.	0.0	1507.	1.5	0.	0.0	4224.	1.6	4224.	1.6
20000.< 30000.	0.	0.0	0.	0.0	0.	0.0	10252.	3.9	2865.	1.4
30000.< 50000.	0.	0.0	0.	0.0	0.	0.0	15583.	10.1	1724.	0.2
50000.< 75000.	0.	0.0	0.	0.0	0.	0.0	3982.	4.1	0.	0.0
75000.< 100000.	0.	0.0	0.	0.0	0.	0.0	3456.	4.7	0.	0.0
100000.< 200000.	0.	0.0	0.	0.0	0.	0.0	68.	0.3	68.	0.3
200000.<********	0.	0.0	0.	0.0	0.	0.0	209.	0.7	0.	0.0
HEAD OF HOUSE	0.	0.0	1507.	1.5	0.	0.0	37775.	25.4	8882.	3.5

PLAN X AGI CLASS (Dollars)	Presently Taxable Returns Made Nontaxable: Number of Returns (Units)	Presently Taxable Returns Made Nontaxable: Amount of Tax Decrease ($ Mil)	Presently Nontaxable Returns Made Taxable: Number of Returns (Units)	Presently Nontaxable Returns Made Taxable: Amount of Tax Increase ($ Mil)	Returns With a Change in Tax Liability: Tax Decreases: Number of Returns (Units)	Returns With a Change in Tax Liability: Tax Decreases: Amount of Tax Decrease ($ Mil)	Returns With a Change in Tax Liability: Tax Increases': Number of Returns (Units)	Returns With a Change in Tax Liability: Tax Increases': Amount of Tax Increase ($ Mil)	Returns Which Changed Their Type of Deduction: Number of Returns (Units)	Returns Which Changed Their Type of Deduction: Amount of Tax Change ($ Mil)
ALL RETURNS										
********< 0.	0.	0.0	0.	0.0	0.	0.0	29.	0.0	0.	0.0
0.< 10000.	0.	0.0	0.	0.0	0.	0.0	5880.	1.6	4373.	0.9
10000.< 20000.	0.	0.0	8804.	5.3	0.	0.0	43190.	13.2	17342.	8.1
20000.< 30000.	0.	0.0	6805.	4.1	0.	0.0	125988.	48.1	38828.	14.6
30000.< 50000.	0.	0.0	1621.	0.9	0.	0.0	261134.	131.2	60175.	30.0
50000.< 75000.	0.	0.0	0.	0.0	0.	0.0	213838.	235.5	30590.	27.6
75000.< 100000.	0.	0.0	0.	0.0	0.	0.0	132844.	238.7	6746.	11.7
100000.< 200000.	0.	0.0	72.	0.3	0.	0.0	96200.	213.9	688.	2.9
200000.<********	0.	0.0	1.	0.0	0.	0.0	21857.	58.3	499.	2.3
ALL RETURNS	0.	0.0	17303.	10.7	0.	0.0	900960.	940.4	159241.	98.1

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FIGURE 7.12

AN EXAMPLE OF TABLE 04

TABLE 04

SUMMARY OF THE EFFECTS OF THE PROPOSAL: PLAN X, PLAN Y, AND CHANGE BY PLAN X AGI CLASS

(1989 Levels of Income)

PLAN X AGI CLASS (Dollars)	Number of Returns: Sample (Units)	Number of Returns: Aggregate (000's)	Taxable Returns: Plan X (000's)	Taxable Returns: Plan Y (000's)	Adjusted Gross Income: Plan X ($ Mil)	Adjusted Gross Income: Plan Y ($ Mil)	Adjusted Gross Income: Change ($ Mil)	Taxable Income: Plan X ($ Mil)	Taxable Income: Plan Y ($ Mil)	Taxable Income: Change ($ Mil)
********< 0.	4850.	769.6	5.9	5.9	-42404.	-42404.	0.	0.	0.	0.
0.< 10000.	13828.	31830.8	14289.8	14289.8	153409.	153409.	0.	27393.	27404.	10.
10000.< 20000.	13145.	26041.6	21668.3	21677.1	382335.	382335.	0.	175358.	175446.	88.
20000.< 30000.	9680.	16945.3	16713.1	16719.9	418119.	418119.	0.	254117.	254411.	294.
30000.< 50000.	13748.	20690.5	20611.9	20613.6	803953.	803953.	0.	541305.	542006.	701.
50000.< 75000.	8629.	9920.9	9905.8	9905.8	594451.	594451.	0.	424537.	425399.	863.
75000.< 100000.	3372.	3059.4	3053.7	3053.7	261107.	261107.	0.	193033.	193866.	833.
100000.< 200000.	4676.	2090.8	2088.3	2088.3	276350.	276350.	0.	212171.	212835.	665.
200000.<********	38638.	786.8	785.8	785.8	409461.	409461.	0.	345023.	345222.	199.
TOTALS	110566.	112135.7	89122.7	89140.0	3256782.	3256782.	0.	2172936.	2176589.	3653.

PLAN X AGI CLASS (Dollars)	Itemized Returns: Plan X (000's)	Itemized Returns: Plan Y (000's)	Excess Item. Ded: Plan X ($ Mil)	Excess Item. Ded: Plan Y ($ Mil)	ZBA + Exemptions: Plan X ($ Mil)	ZBA + Exemptions: Plan Y ($ Mil)	Earned Inc. Cred.: Plan X ($ Mil)	Earned Inc. Cred.: Plan Y ($ Mil)	Alt. Min Tax (AMT): Plan X ($ Mil)	Alt. Min Tax (AMT): Plan Y ($ Mil)
********< 0.	0.	0.	0.	0.	6362.	6362.	34.	34.	68.	68.
0.< 10000.	786.	782.	7029.	7000.	173458.	173458.	3479.	3479.	10.	10.
10000.< 20000.	2557.	2540.	21020.	20838.	202470.	202470.	3121.	3121.	12.	12.
20000.< 30000.	4274.	4235.	35758.	35298.	147605.	147605.	0.	0.	12.	12.
30000.< 50000.	10786.	10726.	105848.	104882.	208126.	208126.	0.	0.	29.	29.
50000.< 75000.	7979.	7949.	101048.	100033.	109109.	109109.	0.	0.	56.	56.
75000.< 100000.	2803.	2796.	48788.	47922.	33515.	33515.	0.	0.	39.	39.
100000.< 200000.	1977.	1976.	51348.	50680.	22987.	22987.	0.	0.	153.	152.
200000.<********	769.	769.	60045.	59844.	8620.	8620.	0.	0.	460.	460.
TOTALS	31931.	31772.	430885.	426497.	912253.	912253.	6634.	6634.	838.	837.

PLAN X AGI CLASS (Dollars)	Returns with AMT: Plan X (000's)	Returns with AMT: Plan Y (000's)	Tax (positive): Plan X (000's)	Tax (positive): Plan Y (000's)	Outlays (Negative): Plan X (000's)	Outlays (Negative): Plan Y (000's)	Tax (Net of Outlays): Plan X ($ Mil)	Tax (Net of Outlays): Plan Y ($ Mil)	Tax (Net of Outlays): Change ($ Mil)
********< 0.	5.	5.	103.	103.	-34.	-34.	69.	69.	0.00
0.< 10000.	11.	11.	4143.	4144.	-3420.	-3420.	722.	724.	1.57
10000.< 20000.	2.	2.	24595.	24606.	-1796.	-1795.	22798.	22812.	13.23
20000.< 30000.	2.	2.	38882.	38930.	0.	0.	38882.	38930.	48.10
30000.< 50000.	9.	8.	89572.	89703.	0.	0.	89572.	89703.	131.20
50000.< 75000.	20.	21.	81208.	81443.	0.	0.	81208.	81443.	235.47
75000.< 100000.	16.	16.	42642.	42880.	0.	0.	42642.	42880.	238.65
100000.< 200000.	31.	30.	54440.	54654.	0.	0.	54440.	54654.	213.86
200000.<********	24.	24.	97177.	97235.	0.	0.	97177.	97235.	58.32
TOTALS	119.	119.	432760.	433699.	-5251.	-5249.	427509.	428450.	940.41

FIGURE 7.13

AN EXAMPLE POST-EXECUTION LISTING

```
$ !
$ ! Delete Working Directories & Files.
$ !
$ SET NOVERIFY
  CILKE        job terminated at  6-APR-1993 14:33:54.76

  Accounting information:
  Buffered I/O count:              878         Peak working set size:    1772
  Direct I/O count:               3481         Peak page file size:      7198
  Page faults:                    6034         Mounted volumes:             0
  Charged CPU time:          0 00:01:07.48     Elapsed time:     0 00:03:43.23
```

Chapter 8

SELECTED UTILITY COMMAND PROCEDURES AND PROGRAMS

8.1 INTRODUCTION

This short chapter describes several command files, or procedures, which are important in executing an Individual Tax Model run. Each subsection below provides a brief discussion of the function performed by the program or command procedure as well as any parameters that are relevant to using the procedure.

8.2 COMMAND PROCEDURES

8.2.1 THE LINK COMMAND FILE

This file links (i.e., collects) the routines necessary to run the Tax Model including the data for the run. Essentially, this command procedure links the Model to produce an executable. Most Tax Model object modules are linked directly. However, a number of routines are linked via three object module libraries. The first object module library, entitled BASIC_MODEL.OLB, consists of a number of assorted routines specific to the Individual Tax Model.

The Office of Tax Analysis (OTA) maintains an object module library with additional numerical routines written in FORTRAN and assembler. The object modules for these routines are stored in [OTA_LIB.OBJECTS]OBJ.OLB. The following assembler routines are used repeatedly by the Tax Model and are linked from this object module library:

FTNPK1	FTNUP1	INDEXB	MOVE	VNTRAN	ZERO

The third object module library entitled, EXTRAP_LIB.OLB, links all of the extrapolation routines. The routines linked through this module are:

BLOWUP	READWT_5	RECALC	TXCLCE	SECA_CALC

Besides the routines that are linked via the link libraries, there are several routines which are linked directly. These routines include:

```
BLK88  BLK_CREATE  BLOCK_BLOWUP  CONTRL  EXTRAPOLATE
FAMTAB  FORM8582_CALC  FTNUP1_INT2  FTNUP2_INT2  MAIN1
MAIN2  MAIN3  PROUT  READFEI  RINDX  SAMPL1  SAMPL2
SAMPL_IMPT  SCUT  TAB01_FILL  TAB02  TAB03  TAB03_FAM
TAB04  TAB04_FAM  TABLES  TABOUT  TAB_LOTUS  TAX  TAXTAB
TAXX  TAXY  TXCLCX  TXCLCY  UNPACK2_DOUBLE_INT2
UNPACK_DOUBLE_INT2
```

Two parameters are specified for the LINK command procedure. The first is mandatory and specifies the directory where the Tax Model's executable file is to be placed. The second is optional and specifies that the VAX-VMS DEBUG option be included in the link command. The following executes the Tax Model's linking procedure.

```
$ @LINK_V12  P1  P2
```

where:

P1 - directory where the object modules are found, usually 'MOD_DIR,' the VMS symbol for the simulation run's MODEL directory located on the SCRATCH disk.

P2 - Flag indicating that the Model is to be linked using the DEBUG option:
DB = Link with DEBUG
(omitted) = Do not link with DEBUG

8.2.1.1 The User Specified Options file

This file contains the names of any special files specified by the user that are to be used in the Model run. The names are stored in the file, USER_SPEC.OPT which is linked into the Model by the LINK command discussed above. Note that this file is not a command procedure.

8.2.2 THE MODEL COPY COMMAND FILE

This mandatory command procedure copies selected Individual Tax Model source and object files to the MODEL directory located on the SCRATCH disk for batch processing. The procedure assumes that the MODEL directory has already been defined. The command procedure is invoked by:

```
$ @MODEL_COPY_WV12
```

8.2.3 THE SCENARIO COMMAND FILE

OTA is required to estimate tax the effects of tax proposals under varying assumptions about economic growth. Therefore, the Tax Model's extrapolation procedure needs to be flexible enough so that the user may easily choose one of several sets of economic assumptions.

Based on a parameter supplied by the user, the SCENARIO command procedure defines the extrapolation scenario for each Tax Model run. The economic assumptions currently defined by the Model are as follows.

A - 1994 Winter Budget under a CBO Forecast - Base File.
B - 1994 Winter Budget under a CBO Forecast - Match File.
C - Not used in current Model.
D - 1993 Midsession Budget forecast - Base File.
E - 1993 Midsession Budget forecast - Match File.
F - 1994 Winter Budget under a OMB Forecast - Base File.
G - 1994 Winter Budget under a OMB Forecast - Match File.

To execute SCENARIO, the following command is given, with the parameter P1 being the economic scenario.

```
$ @SCENARIO P1
```

8.2.4 THE SUBMIT COMMAND FILE

This command procedure submits a Tax Model run to the batch queue for processing. There are two parameters which are specified by the user: P1 and P2.

P1 - The filename of the .COM command procedure containing the run stream for the simulation: (Mandatory)

P2 - Delete Options: (Optional)
A = Do not delete temporary directories and files.
P = Delete temporary directories and files (default).

The submit command procedure is issued as follows:

```
$ @SUBMIT  P1  P2
```

By default, this command procedure submits each Model run with the following options:

```
/NAME=SCRATCH$:'P1'.LOG
/PARAMETERS=('P1','P2')
/NOPRINTER
/NOTIFY
/CPUTIME=00:35:00.00
```

8.2.5 THE AUTO PRINT COMMAND FILE

This AUTO_PRINT command procedure prints the .LOG file of a Tax Model run. The two parameters, P1 and P2, used by AUTO_PRINT are:

P1 - Entry number of the batch job running the Tax Model simulation.

P2 - The filename of the .LOG file (assumed to be on SCRATCH$) containing the output of the Tax Model simulation. (This parameter is identical to the P1 parameter for the SUBMIT command procedure).

The AUTO_PRINT procedure is submitted to the batch queue and is immediately put into a wait state. The procedure begins execution when the Tax Model simulation job is complete and the .LOG file is closed.

8.3 FORTRAN PROGRAMS

8.3.1 THE RUN NUMBER GENERATOR

The run number generator assigns the user a set of one or more numbers he generally assigns to his run streams. Once executed, the number generator acts by opening a data file and reading the last number assigned in the previous execution. Next, the generator prompts the user for the quantity of numbers he desires. The generator then reports the numbers assigned to the user and updates the data file for the next execution. To obtain a set of run numbers, the user issues the command:

```
$ RUN RUN_NUMBER
```

8.3.2 TAX PARAMETER GENERATORS

Many dollar tax parameters are indexed for inflation. Further, different indexing rules are applied to different parameters. For example, rate brackets under current law are indexed for inflation based on the Consumer Price Index (CPIU) ending in August of each year and are rounded down to the nearest $50 increment.

The routine PARM_PRINT generates the dollar parameters for any year after 1989. The only information the user needs to provide is CPIU inflation assumptions.

CHAPTER 9

EXAMPLES OF TAX MODEL INPUT CONTROL STREAMS

9.1 INTRODUCTION

The intent of this chapter is to provide the user with several examples of the input control stream for specific tax proposals. The input control stream for any given tax plan may consist of only data images, or it may consist of data images and "FORTRAN" statements that modify the existing Tax Model programs and command procedures. Section 9.2 provides an overview of the command procedure used to run the Tax Model. Section 9.3 provides two examples of tax proposals that are capable of being completely specified with data images. Section 9.4 presents two more examples, each requiring some modification of the existing Tax Model program, as well as data images. Section 9.5 presents an example using the Match file. In Section 9.6, an example using the Tax Model's extrapolation procedure is presented. Section 9.7 documents the Tax Model's special "table making" routine. Finally, Section 9.8 presents an example simulation run with a behavioral adjustment for capital gains.

9.2 SETUPS FOR STARTING MODEL RUNS

In order to execute each of the example Tax Model runs which follow, various files must be assigned prior to the specification of the tax proposal. Each section below contains the appropriate control statements which are needed to "setup" a Tax Model run for various tax laws using the production file.

Before the user is prepared to run the Tax Model, there are several things that must be done. First, a run number must be obtained. Second, a run stream must be prepared. The run stream is a command procedure which performs the following tasks:

1) Creates working areas on the scratch disk where the run will actually take place,
2) Copies the Tax Model into the working areas,
3) Assigns the Tax Model data file(s),
4) Defines the tax regime used in the simulation,
5) Makes any program or parameter changes,
6) Re-links the Tax Model,
7) Executes the Model, and
8) Deletes the temporary working areas.

The examples presented in this chapter only address tasks 2 through 7. Task 2 is generally accomplished using the command procedure, MODEL_COPY_WV11. For a further description of this procedure, see Section 8.2.2. Task 3 is accomplished by equating the names of the input data files to the logical names INPUT1 (Base file or Match file) and INPUT2 (Supplemental file or CPS companion file).

The fourth task is accomplished by setting the ILX (Plan X) and ILY (Plan Y) parameters and by executing the SCENARIO_V12 command procedure. The tax regimes currently available by the Tax Model are post-1988 law as specified under the Tax Reform Act of 1986 (TRA) and post-1990 law as specified under the Omnibus Budget Reconciliation Act of 1990 (OBRA90). The SCENARIO_V12 command procedure defines the set of economic assumptions used in the simulation. Section 8.2.3 describes SCENARIO_V12 in more detail.

Making parameter changes have been discussed in Chapter 6. Examples of parameter and program changes, Task 5, are discussed in Sections 9.3 and 9.4. Task 6 is accomplished by using the command procedure, LINK_V12, which is described in 8.2.1. Finally, Task 7 is accomplished using the command,

```
$ RUN 'MOD_DIR'MODEL.EXE
```

A Tax Model run stream is generally executed in batch mode and is started by invoking the command procedure, SUBMIT. For example, the command "@SUBMIT I1219 P" would run the individual Tax Model using the run stream stored in file I1219.COM. The second parameter P suppresses the printing of the final output. The SUBMIT procedure is described in 8.2.4.

9.3 EXAMPLE RUNS EMPLOYING DATA IMAGES

9.3.1 EXAMPLE 1: CHANGING TAX PARAMETERS

Suppose that one wants to investigate a proposed tax law change of increasing the level of taxpayer exemptions to $3,500 per taxpayer exemption. All other personal exemptions will remain at current-law levels. The revenue estimation is to be made using the 1989 Base file under 1989 law. Figure 9.1 shows the run stream that will perform this simulation.

FIGURE 9.1

INPUT ELEMENT FOR EXAMPLE 1: CHANGING TAX PARAMETERS

```
$ RUN file_logical:TITLEPAGE
RUN NO:XXXX
TITLE X:1989 Law at 1989 Levels
TITLE Y:PLANX=Present Law
TITLE Y:PLANY=Increase Taxpayer Exemption to $3,500
TITLE Y:
 $SAMPLE NLAW=1989, NLEV=1989, NRET=110566, MATCH=0, $END
$ DEFINE INPUT1 data_logical:Base_file.pck
$ @file_logical:MODEL_COPY_WV12
$ @file_logical:SCENARIO_V12 A
$ @LINK_V12 'MOD_DIR'
$ RUN 'MOD_DIR'MODEL.EXE
 $OUTPUT  $END
 $EDIT    $END
 $CHANGE  PLANX=1, NEWY=1,    $END
 $PLNY EY(1)=3500., $END
```

FIGURE 9.2

INPUT ELEMENT FOR EXAMPLE 2: CHANGING THE RATE SCHEDULES

```
$ RUN file_logical:TITLEPAGE
RUN NO:XXXX
TITLE X:1989 Law at 1989 Levels
TITLE Y:PLANX=Present Law
TITLE Y:PLANY= Increase 15% and 28% bracket breaks for
TITLE Y:  single and head of household returns by 5%
 $SAMPLE NLAW=1989, NLEV=1989, NRET=110566, MATCH=0,$END
$ DEFINE INPUT1 data_logical:Base_file.pck
$ @file_logical:MODEL_COPY_WV12
$ @file_logical:SCENARIO_V12 A
$ @LINK_V12 'MOD_DIR'
$ RUN 'MOD_DIR'MODEL.EXE
 $OUTPUT          $END
 $EDIT            $END
 $CHANGE  NEWX=1, NEWY=2, $END
 $PLNX    $END
 $PLNY    $END
 $RATES SCH=1, OPTION=1, $END
7,
5.,
 $RATES SCH=3, OPTION=1, $END
7,
5.,
 $RATES OPTION=0, $END
```

9.3.2 EXAMPLE 2: CHANGING THE RATE SCHEDULES

Another tax proposal consists of increasing the 15% and 28% bracket break points of single and head-of-household returns by 5%. This proposal is to be compared against 1989 law at 1989 levels. Figure 9.2 shows the input stream that accomplishes this objective.

9.4 EXAMPLE RUNS EMPLOYING PROGRAM MODIFICATIONS

Program modifications are accomplished by using the EDIT editor with the SUM option. The SUM option allows lines of code to be added or deleted. For example, the following commands add a comment line after line 62 and delete lines 132, 133, and 134 of code in Plan X's tax calculator. The final "/" terminates the editing on this particular file.

```
$ EDIT/SUM TXCLCX.FOR/UPDATE=SYS$INPUT
-62
C     LINE OF TEXT ADDED HERE
-132,134
C     THREE LINES HAVE JUST BEEN DELETED
/
```

All program changes for all files are gathered into a single command procedure (usually called EDIT_FILE). Executing this command procedure makes the actual changes to the file(s). Note that any modified program must be recompiled in order to work properly.

The commands shown in Figure 9.3 provide the general format used to make program modifications. The command, "$ CREATE/FILE EDIT_FILE" in Figure 9.3 opens the EDIT_FILE command file. The next line, "$ DECK/DOLLARS" marks the beginning of the input stream of images going into EDIT_FILE. All subsequent images will be placed in EDIT_FILE. The file is closed upon reaching the end-of-file indicator, "$ EOD." The final line in Figure 9.3 executes the command procedure and the program changes are made.

FIGURE 9.3

GENERAL FORMAT USED TO MAKE TAX MODE PROGRAM CHANGES

```
$ DEFINE EDIT_FILE   'JOB_DIR'EDIT.COM
$ CREATE/FILE EDIT_FILE
$ DECK/DOLLARS
$ EDIT/SUM filename1.ext/UPDATE=SYS$INPUT
-??
C  Program Changes
/
$ EDIT/SUM filename2.ext/UPDATE=SYS$INPUT
-??
C  Program Changes
/
$ EOD
$ @EDIT_FILE
```

9.4.1 EXAMPLE 3: MAKING PROGRAM CHANGES

Suppose that one is interested in estimating how much tax revenue is generated from taxing capital gains under 1989 law at 1989 levels. This will be accomplished by completely wiping out capital gains used by the calculators after Plan X but before Plan Y. The tax liabilities generated under each plan will then be compared. Figure 9.4 presents a runstream that accomplishes this objective.

9.4.2 EXAMPLE 4: PARAMETER AND PROGRAM CHANGES

A researcher wishes to investigate allowable itemized deductions for medical expenses. In particular, he wants to know how many returns would otherwise not use the medical expense deduction if the medical expense floor were raised to 10% of adjusted gross income. The researcher would also like to know how much revenue would be gained at 1989 law and levels. This input control stream appears in Figure 9.5.

FIGURE 9.4

INPUT ELEMENT FOR EXAMPLE 3: MAKING PROGRAM CHANGES

```
$ RUN file_logical:TITLEPAGE
RUN NO:XXXX
TITLE X:1989 Law at 1989 Levels
TITLE Y:Computation of Tax Generated from Capital Gains
TITLE Y:
TITLE Y:
 $SAMPLE NLAW=1989, NSTOP=110566, NLEV=1989, NRET=110566,
         MATCH=0, $END
$ DEFINE INPUT1 data_logical:Base_file.pck
$ @file_logical:MODEL_COPY_WV12
$ @file_logical:SCENARIO_V12 A
$ DEFINE EDIT_FILE 'JOB_DIR'EDIT.COM
$ CREATE EDIT_FILE
$ DECK/DOLLARS
$ EDIT/SUM TXCLCY.FOR/UPDATE=SYS$INPUT
-45
      CGAGIY  = 0.
      INLCGY  = 0.
      EXLCG   = 0.
/
$ EOD
$ @EDIT_FILE
$ FOR/CHECK=ALL TXCLCY
$ @LINK_V12 'MOD_DIR'
$ RUN 'MOD_DIR'MODEL.EXE
 $OUTPUT   $END
 $EDIT     $END
 $CHANGE   $END
```

FIGURE 9.5

INPUT ELEMENT FOR EXAMPLE 4: PARAMETER AND PROGRAM CHANGES

```
$ RUN file_logical:TITLEPAGE
RUN NO:XXXX
TITLE X:1989 Law at 1989 Levels
TITLE Y: Raise Floor on Medical Expense Deductions to
TITLE Y: 10% of AGI,  Run only for Itemizers with expenses.
TITLE Y:
$SAMPLE NLAW=1989, NSTOP=110566, NLEV=1989, NRET=110566,
        MATCH=0, $END
$ DEFINE INPUT1 data_logical:Base_file.pck
$ @file_logical:MODEL_COPY_WV12
$ @file_logical:SCENARIO_V12 A
$ DEFINE EDIT_FILE   'JOB_DIR'EDIT.COM
$ CREATE/FILE EDIT_FILE
$ DECK/DOLLARS
$ EDIT/SUM MAIN2.FOR/UPDATE=SYS$INPUT
-64,64
      IF(DATAX(1) .LT. 1.0) GO TO 10
/
$ EDIT/SUM TXCLCX.FOR/UPDATE=SYS$INPUT
-19
      DATA(1) = 0.0
-238
      IF(IDEDX .NE. 2 .AND. ADNX(4) .GT. 0.0)DATA(1)=1.0
/
$ EOD
$ @EDIT_FILE
$ FOR/CHECK=ALL MAIN2
$ FOR/CHECK=ALL TXCLCX
$ @LINK_V12 'MOD_DIR'
$ RUN 'MOD_DIR'MODEL.EXE
 $OUTPUT  $END
 $EDIT    $END
 $CHANGE  NEWX=1, NEWY=1, $END
 $PLNX                    $END
 $PLNY   PINY(33)=0.10, $END
```

9.5 USING THE MATCH FILES

As discussed in Chapters 2 and 3, OTA created the "Match" sample by statistically merging the Base file with the 1989 CPS file. The result of the merge was two files, each containing information on the U.S. tax filing population plus the non-institutional population over 14 years of age. The first file contains the same tax and demographic information as the original Base file. The second file contains the information obtained from the CPS file. By using the Match files, the user can:

- Estimate the effects of tax proposals on non-filers,
- Use families as the unit of analysis,
- Examine sources of income not subject to tax under current law,
- Examine certain demographic and expenditure information not available on a pure tax data file, and
- Distribute output tables by family economic income.

Operationally, using the Match files is almost identical to using the Base file. All that is required is the number of records specified in NSTOP and NRET be increased to 252,077, and the MATCH variable be changed to 1 (Match file only) or 2 (Match file and CPS companion file). Also, the logical names INPUT1 and INPUT2 need to be changed to access the Match file and the CPS companion file.

9.5.1 EXAMPLE 5: USING THE MATCH FILE

Suppose a researcher wants the same information presented in Example 4 except that families are to be the unit of analysis and the output tables are to be distributed by family economic income. In order to do this, the Match file must be accessed instead of the Base file. By choosing UOA=0, the standard output tables will, by default, use family economic income as the classifier. The input stream for this is presented in Figure 9.6. Note that the differences from Figure 9.5 have been bolded.

9.6 EXTRAPOLATION RUNS

Chapter 4 and Section 8.2.3 discuss the Tax Model's extrapolation procedure. Operationally, the extrapolation procedure is simply invoked by:

- Setting the NLEV variable on the $SAMPLE image to any year greater than 1989, (At this time, the highest outyear available for extrapolation is 1998.)
- Setting the set of economic assumptions desired on the SCENARIO command procedure.

FIGURE 9.6

INPUT ELEMENT FOR EXAMPLE 5: USING THE MATCH FILE

```
$ RUN file_logical:TITLEPAGE
RUN NO:XXXX
TITLE X:1989 Law at 1989 Levels
TITLE Y: Raise Floor on Medical Expense Deductions to
TITLE Y: 10% of AGI,  Run only for Itemizers with expenses.
TITLE Y: By Family Economic Income
$SAMPLE NLAW=1989, NSTOP=252077, NLEV=1989, NRET=252077,
        MATCH=1, $END
$ DEFINE INPUT1 data_logical:Match_file.pck
$ @file_logical:MODEL_COPY_WV12
$ @file_logical:SCENARIO_V12 B
$ DEFINE EDIT_FILE   'JOB_DIR'EDIT.COM
$ CREATE/FILE EDIT_FILE
$ DECK/DOLLARS
$ EDIT/SUM MAIN2.FOR/UPDATE=SYS$INPUT
-64,64
      IF(DATAX(1) .LT. 1.0) GO TO 10
/
$ EDIT/SUM TXCLCX.FOR/UPDATE=SYS$INPUT
-19
      DATA(1) = 0.0
-238
      IF(IDEDX .NE. 2 .AND. ADNX(4) .GT. 0.0)DATA(1)=1.0
/
$ EOD
$ @EDIT_FILE
$ FOR/CHECK=ALL MAIN2
$ FOR/CHECK=ALL TXCLCX
$ @LINK_V12 'MOD_DIR'
$ RUN 'MOD_DIR'MODEL.EXE
 $OUTPUT  UOA=0,              $END
 $EDIT                        $END
 $CHANGE  NEWX=1, NEWY=1,    $END
 $PLNX                  $END
 $PLNY PINY(33)=0.10, $END
```

9.6.1 EXAMPLE 6: AN EXTRAPOLATED TAX MODEL SIMULATION

Suppose a researcher wants to impose a 40% exclusion on long term capital gains. The researcher wants to examine the affects under 1992 pre-OBRA90 law at 1992 levels of economic activity. The Tax Model, by default, chooses OBRA90 law for all law years after 1990 (and pre-OBRA90 law for years 1989 and 1990). Simply setting the parameters ILX=0 and ILY=0 will ensure that pre-OBRA90 law is run. Figure 9.7 presents the runstream that will perform this simulation.

FIGURE 9.7

INPUT ELEMENT FOR EXAMPLE 6: USING THE MATCH FILE

```
$ RUN file_logical:TITLEPAGE
RUN NO:XXXX
TITLE X:1992 TRA Law at 1992 Levels
TITLE Y:
TITLE Y: Allow a 40% long term capital gains exclusion
TITLE Y:
$SAMPLE NLAW=1992, NSTOP=252077, NLEV=1992, NRET=252077,
        MATCH=2, $END
$ DEFINE INPUT1 data_logical:Match_file.pck
$ DEFINE INPUT2 data_logical:CPS_file.pck
$ @file_logical:MODEL_COPY_WV12
$ @file_logical:SCENARIO_V12 B
$ @LINK_V12 'MOD_DIR'
$ RUN 'MOD_DIR'MODEL.EXE
 $OUTPUT  UOA=1,              $END
 $EDIT                        $END
 $CHANGE  ILX=0, ILY=0, NEWY=1, $END
 $PLNY PINY(01)=0.40, $END
```

9.7 SPECIAL TABULATIONS

9.7.1 SUBROUTINE TABOUT

Subroutine TABOUT was designed to simplify the preparation of Tax Model runs requiring special tabulations not covered by the standard Tax Model tables. Its use, therefore, is specific to the Tax Model, but it can be used in similar situations outside of the Tax Model. Subroutine TABOUT will perform the following functions:

- Output a two-dimensional array in tabular form,
- Provide up to four lines of title centered above the table, and
- Provide any number of rows and up to 100 columns of centered column headings.

Subroutine TABOUT, of course, does not perform the actual tabulation, but only outputs the results of the tabulation. Once the tabulation has been completed, the user has the table printed via the following call:

```
CALL TABOUT(X,NR,NC,STUBS,ISCX)
```

where:

X	=	A two-dimensional, double precision, real array containing the results of the tabulation,
NR	=	The number of rows in the table,
NC	=	The number of columns in the table,
STUBS	=	A single precision, real array of size NR which contains the intervals to be used as the left hand stubs in the construction of the table,
ISCX	=	An array of size NC which contains a code for the scale factor to be applied to each column of the table. The codes are: 1 = no scale factor. 2 = divide by 1,000. 3 = divide by 1,000,000. 4 = multiply by 100.

Each row of the array X usually corresponds to one interval over a continuous range of classes (e.g., AGI classes, tax size classes, etc.). Furthermore, it is assumed that there are NR-1 such intervals and that the NR-th interval contains the total of all intervals for each column.

9.7.2 INPUT DATA FOR TABOUT

Each call to TABOUT will call subroutine HEAD which will expect title images. The user must supply at least one title image, and may supply as many as four title images, for each table. If more than 4 title images are supplied, the program will skip the remaining images, and print out the title images it skipped. Columns 1-72 of an image may be used for the title. The title need not be centered, since the program will provide this function. Following the last title image for a given table, an "EOF" image is required. For example:

```
 FIRST LINE OF THE TITLE FOR TABLE 1.
 SECOND LINE OF THE TITLE FOR TABLE 1.
 THIRD LINE OF THE TITLE FOR TABLE 1.
EOF
```

Immediately following the title images, the user must supply column heading images. At the end of each column heading, the user must type a "/", and continue immediately with the next column heading. A column heading may contain up to four lines of up to eight characters per line. The user enters each line sequentially and separates each line heading with a blank or '/'. To terminate the scan of that data line for column headings and continue reading another data line, a "?" after the "/" must be entered. An example of four column headings with three lines per heading follows:

```
Column-1 -Line-2- -Line-3-/?
Column-2 -Line-2- -Line-3-/?
Column-3 -Line-2- -Line-3-/?
Column-4 -Line-2- -Line-3-/
```

If the previous call to TABOUT in the same run has already supplied column heading images, and the user wishes to employ the previous column heading images, he may enter a "EOF" in lieu of entering the same column heading images again.

9.7.3 EXAMPLE 7: USING TABOUT

Suppose a researcher wants a simple tabulation of depreciation deductions claimed on Form 4562 for MACRS class lives of 3-years, 5-years, 7-years, and 10-years. The tabs should be presented by AGI class under under 1989 law. In this example, both the Base file and the Supplemental file need to be processed. A runstream which accomplishes this is presented in Figure 9.8 and the resulting table is presented in Figure 9.9.

9.8 EXAMPLE 8: EXAMPLE CAPITAL GAINS BEHAVIORAL ADJUSTMENT

Suppose a researcher wants to compare pre-OBRA90 law with OBRA90 law with a behavioral adjustment for capital gains. In this example, ILX is set to zero and ILY is set to one. This example also demonstrates the use of the USER_SPEC.OPT file to link subroutines not normally linked with the LINK command procedure. A runstream which accomplishes this simulation is presented in Figure 9.10.

FIGURE 9.8

INPUT STREAM FOR EXAMPLE 7: USING TABOUT

```
$ RUN file_logical:TITLEPAGE
RUN NO:XXXX
TITLE X:1989 Law at 1989 Levels
TITLE Y:Tabs of depreciation deductions on Form 4562
TITLE Y:MACRS property for 3-yr, 5-yr, 7-yr, and 10-yr
TITLE Y:
 $SAMPLE NLAW=1989,NLEV=1989,NRET=110566,MATCH=0,CAF=1, $END
$ DEFINE INPUT1 data_logical:Base_file.pck
$ DEFINE INPUT2 data_logical:Supplemental_file.pck
$ @file_logical:MODEL_COPY_WV12
$ @file_logical:SCENARIO_V12 A
$ DEFINE EDIT_FILE   'JOB_DIR'EDIT.COM
$ CREATE/FILE EDIT_FILE
$ DECK/DOLLARS
$ EDIT/SUM MAIN2.FOR/UPDATE=SYS$INPUT
-17
      PARAMETER NRA=10, NCA=4, NWA=NRA*NCA, NRAM1=NRA-1
      DOUBLE PRECISION XA(NRA,NCA)
      DIMENSION ISCXA(NCA)
      DATA ISCXA /3,3,3,3/
      DATA XA /NWA*0./
-64
      JX=INDEXB(AGIX,STUBS,NRA,1.0)
      XA(JX,1)=XA(JX,1)+WT*DS(207)
      XA(JX,2)=XA(JX,2)+WT*DS(210)
      XA(JX,3)=XA(JX,3)+WT*DS(223)
      XA(JX,4)=XA(JX,4)+WT*DS(213)
-142
      DO 800 J=1,NCA
      DO 800 I=1,NRAM1
  800 XA(NRA,J)=XA(NRA,J) + XA(I,J)
      CALL TABOUT(XA,NRA,NCA,STUBS,ISCXA)
/
$ EOD
$ @EDIT_FILE
$ FOR/CHECK=ALL MAIN2
$ @LINK_V12 'MOD_DIR'
$ RUN 'MOD_DIR'MODEL
 $OUTPUT    $END
 $EDIT      $END
 $CHANGE    $END
 TABULATION OF MACRS DEPRECIATION DEDUCTIONS
 BY AGI CLASS, 1989 LAW AT 1989 LEVELS
EOF
03-year- property (MIL $)/?
05-year- property (MIL $)/?
07-year- property (MIL $)/?
10-year- property (MIL $)/
```

FIGURE 9.9

EXAMPLE OUTPUT FROM THE TABOUT SUBROUTINE

TABULATION OF MACRS DEPRECIATION DEDUCTIONS
BY AGI CLASS, 1989 LAW AT 1989 LEVELS

- (1989 LEVELS OF INCOME) -

	03-year-property (MIL $)	05-year-property (MIL $)	07-year-property (MIL $)	10-year-property (MIL $)
******** -$ 0.	81.	131.	143.	9.
0. -$ 10000.	86.	218.	113.	21.
10000. -$ 20000.	45.	387.	282.	41.
20000. -$ 30000.	73.	285.	179.	36.
30000. -$ 50000.	105.	377.	216.	43.
50000. -$ 75000.	30.	161.	153.	29.
75000. -$ 100000.	17.	112.	114.	38.
100000. -$ 200000.	25.	77.	119.	15.
200000. -$********	48.	140.	144.	10.
TOTAL	511.	1889.	1464.	242.

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FIGURE 9.10

INPUT STREAM FOR EXAMPLE 8: CAPITAL GAINS BEHAVIORAL ADJUSTMENT

```
$ RUN file_logical:TITLEPAGE
RUN NO:XXXX
TITLE X:1994 Law at 1994 Levels
TITLE Y: Effect of OBRA90 law with dynamic capital gains
TITLE Y: adjustment
TITLE Y:
 $SAMPLE NLAW=1994, NLEV=1994, NRET=110566, MATCH=0, $END
```

FIGURE 9.10 (Continued)

INPUT STREAM FOR EXAMPLE 8: CAPITAL GAINS BEHAVIORAL ADJUSTMENT

```
$ DEFINE INPUT1 data_logical:Base_file.pck
$ DEFINE INPUT2 data_logical:Supplemental_file.pck
$ @file_logical:MODEL_COPY_WV12
$ @file_logical:SCENARIO_V12 A
$ COPY dir:CG*V12.*          'JOB_DIR'*.*
$ COPY dir:SAVEX_V12.*       'JOB_DIR'*.*
$ DEFINE EDIT_FILE   'JOB_DIR'EDIT.COM
$ CREATE/FILE EDIT_FILE
$ DECK/DOLLARS
$ EDIT/SUM USER_SPEC.OPT/UPDATE=SYS$INPUT
-1
  CG_CAPGNS_V12,CG_CGPRED_V12,CG_TXCLCA_V12, -
  CG_BISRCH_V12,SAVEX_V12
/
$ EDIT/SUM CG_CGPRED_V12.FOR/UPDATE=SYS$INPUT
-10,10
        DATA ELASTICITY /-5.0/  ! SET RESPONSIVENESS
/
$ EDIT/SUM MAIN2.FOR/UPDATE=SYS$INPUT
-64
C     AFTER PLAN X, SAVE PLAN X VALUES

      CALL SAVEX(0)
C     ------------------------------------------------
C     CALL CAPITAL GAINS DYNAMIC ADJUSTMENT ROUTINE
C
      RATE1 = 0.0
      RATE2 = 0.0
      IREC = IREC+1
      CALL CAPGNS(IREC,RATE1,RATE2,10.0)
-71
C     AFTER PLAN Y, RESTORE ORIGINAL PLAN X VALUES
      CALL SAVEX(1)
/
$ EOD
$ @EDIT_FILE
$ FOR/CHECK=ALL MAIN2
$ FOR/CHECK=ALL CG_CGPRED_V12
$ @LINK_V12 'MOD_DIR'
$ RUN 'MOD_DIR'MODEL
 $OUTPUT    $END
 $EDIT      $END
 $CHANGE ILX=0, ILY=1,  $END
```

Chapter 10

LIST OF TAX MODEL VARIABLES

The Tax Model source programs contain approximately 1000 variable names. The table on the following pages lists the name of each variable, the name of the subroutine where the variable first or predominately appears, the type and mode of the variable, and a brief description of the contents of the variable.

The name of the program where each variable first or predominately appears is located in the column labeled "SUBROUTINE." For variables stored in common blocks, the name appearing in the table will be the file that defines the common block. The files which define common blocks are CSAVE1, CSAVE2, CSAVE3, CSAVE4, CINPUT, CSAVEX, CSAVEY, and CSAVEZ. The file CINPUT for example, defines the common blocks for Phase II of the Tax Model.

The column labeled "T" in the table indicates the type of each variable. A variable may be typed "C" for Character, "I" for Integer, "R" for Real, or "N" for Namelist. The column labeled "M" in the table indicates the mode of each variable. A variable may have the mode "A" for Array, "S" for Scalar, or "M" for modeless.

TABLE 10.1

LIST OF TAX MODEL VARIABLES

VARIABLE	SUB-ROUTINE	T	M	— DESCRIPTION OF THE VARIABLE —
ABUSCR	BLOWUP_V12	R	A	Stage I extrapolation array: business credits blowup factors
ACPI	BLOWUP_V12	R	A	Stage I extrapolation array: CPI blowup factors
ADIV	BLOWUP_V12	R	A	Stage I extrapolation array: dividend income blowup factors
ADJIRA	CINPUT	R	S	Total deductible IRA payments
ADJREF	TXCLCX_V12	R	S	Adjusted state+local tax refund after phase-out
ADJUST	CINPUT	R	S	Subtotal of minor adjustments to AGI
ADNX	CINPUT	R	A	Itemized deduction array - Plan X
ADNY	CINPUT	R	A	Itemized deduction array - Plan Y
ADVEIC	CINPUT	R	S	Advance earned income credit payments
AESTU	PSLOS_CREATE89_ALT	R	S	Active estates and trusts net income
AESTUG	PSLOS_CREATE89_ALT	R	S	Active estates and trusts gains
AESTUL	PSLOS_CREATE89_ALT	R	S	Active estates and trusts losses
AFARM	PSLOS_CREATE89_ALT	R	S	Active Schedule F farm net income
AFARMG	CINPUT	R	S	Active Schedule F farm gains
AFARML	CINPUT	R	S	Active Schedule F farm losses
AFBUSI	BLOWUP_V12	R	A	Stage I extrapolation array: farm income blowup factors
AG401	BLOWUP_V12	R	A	Stage I extrapolation array: IRA and 401k blowup factors
AGEDE	CINPUT	R	S	Number of elderly taxpayers on return
AGEP	CINPUT	I	S	Age of primary
AGES	CINPUT	I	S	Age of spouse
AGIADJ	TXCLCX_V12	R	S	Adjusted AGI for calculating the elderly credit
AGIMOD	FORM8582_CALC	R	S	Modified AGI for calculating allowed active rental losses
AGIUKS	CINPUT	R	S	AGI with unknown source and added to AGIMOD
AGIX	CINPUT	R	S	Adjusted gross income/loss - Plan X
AGIY	CINPUT	R	S	Adjusted gross income/loss - Plan Y
AGNP	BLOWUP_V12	R	A	Stage I extrapolation array: GNP blowup factors
AHOMEI	BLOWUP_V12	R	A	Stage I extrapolation array: home mortgage interest blowup factors
AINTER	BLOWUP_V12	R	A	Stage I extrapolation array: interest income blowup factors
AINTEXP	BLOWUP_V12	R	A	Stage I extrapolation array: interest expense blowup factors
AL25K	FORM8582_CALC	R	S	Allowed active rental losses from the $25,000 rule
ALCAPGL	BLOWUP_V12	R	A	Stage I extrapolation array: long term capital gains blowup factors
ALGNS	FORM8582_CALC	R	S	Allowed passive losses from other passive income
ALLOW	FORM8582_CALC	R	S	Allowed passive losses - original 1989 amounts
ALLOW89	FORM8582_CALC	R	S	Allowed passive losses - calculated amount
ALPCT	FORM8582_CALC	R	S	Allowed passive losses from the percent phase-in rule
ALPCTAJ	FORM8582_CALC	R	S	Change in allowed passive losses from original 1989 amount
ALTCCE	CINPUT	R	S	Total qualified dependent care expenses
AMED	BLOWUP_V12	R	A	Stage I extrapolation array: medical expense blowup factors
AMTADJ	CINPUT	R	S	Total adjustments
AMTAJ	CINPUT	R	S	AMT adjustment items
AMTAJD	TXCLCX_V12	R	S	Alternative minimum tax adjusted itemized deductions
AMTCRX	CINPUT	R	S	Prior year AMT credit - Plan X
AMTCRY	CINPUT	R	S	Prior year AMT credit - Plan Y
AMTFTC	CINPUT	R	S	Form 6251 foreign tax credit
AMTIADD	TXCLCX_V12	R	S	Additional AMT exemption amount for I1815 kiddy tax filers
AMTIX	CINPUT	R	S	Alternative minimum taxable income - Plan X
AMTIY	CINPUT	R	S	Alternative minimum taxable income - Plan Y

TABLE 10.1 (continued)

LIST OF TAX MODEL VARIABLES

VARIABLE	SUB-ROUTINE	T	M	— DESCRIPTION OF THE VARIABLE —
AMTNOL	CINPUT	R	S	Net operating loss deduction
AMTOVER	TXCLCX_V12	R	S	AMT income above the exemption phase-out starting point
AMTOVR	CINPUT	R	S	AMT taxable income less gross exemption
AMTUEXM	CINPUT	R	S	Unused AMT exemption
AMTX	CINPUT	R	S	Alternative minimum tax - Plan X
AMTY	CINPUT	R	S	Alternative minimum tax - Plan Y
AMTZB	RECALC_V12	R	A	AMT exemption amount parameters
AMTZBA	CINPUT	R	S	Limited exemption amount
ANFBUSI	BLOWUP_V12	R	A	Stage I extrapolation array: non-farm business blowup factors
ANOGRO	BLOWUP_V12	R	S	Stage I extrapolation array: no growth factor
APART	PSLOS_CREATE89_ALT	R	S	Net Active partnership income
APARTG	BLOWUP_V12	R	A	Stage I extrapolation array: partnership income blowup factors
APARTL	BLOWUP_V12	R	A	Stage I extrapolation array: partnership losses blowup factors
APENS	BLOWUP_V12	R	A	Stage I extrapolation array: pension income blowup factors
APR	TXCLCX_V12	R	S	Applicable percentage rate for child care credit
APRA	CINPUT	R	S	Adjusted pre-OBRA90 marginal tax rate after capital gain (not used)
APREF	BLOWUP_V12	R	A	Stage I extrapolation array: preferences blowup factors
ARENTG	BLOWUP_V12	R	A	Stage I extrapolation array: rental income blowup factors
ARENTL	BLOWUP_V12	R	A	Stage I extrapolation array: rental losses blowup factors
AR_ESTUL	DIS_PSLOS89_ALT	R	S	Active real estate activities in estates and trusts losses
AR_PARTL	DIS_PSLOS89_ALT	R	S	Active real estate activities in partnership losses
AR_SBCL	DIS_PSLOS89_ALT	R	S	Active real estate activities in SBC losses
AR_SCHCL	DIS_PSLOS89_ALT	R	S	Active real estate activities in Schedule C losses
ASBC	PSLOS_CREATE89_ALT	R	S	Active net SBC income/loss
ASBCG	PSLOS_CREATE89_ALT	R	S	Active SBC income
ASBCL	PSLOS_CREATE89_ALT	R	S	Active SBC losses
ASCAPGL	BLOWUP_V12	R	A	Stage I extrapolation array: blowup factors
ASCHC	PSLOS_CREATE89_ALT	R	S	Active net Schedule C income
ASCHCG	CINPUT	R	S	Active Schedule C business income
ASCHCL	CINPUT	R	S	Active Schedule C business loss
ASLTAX	BLOWUP_V12	R	A	Stage I extrapolation array: state+local taxes blowup factors
ASOCSEC	BLOWUP_V12	R	A	Stage I extrapolation array: social security blowup factors
ATAXGR	BLOWUP_V12	R	A	Stage I extrapolation array: federal non-income taxes blowup factors
AUNKNO	BLOWUP_V12	R	A	Stage I extrapolation array: miscellaneous blowup factors
AWAGE	BLOWUP_V12	R	A	Stage I extrapolation array: wages blowup factors
AZIP	BLOWUP_V12	R	S	Stage I extrapolation array: potential field elimination factor
BABYCR	CINPUT	R	S	EITC for returns with a child under 1 year of age
BASE	BLK_CREATE	R	S	Array used for calculating inflation adjustments to tax parameters
BASE70	BLK_CREATE	R	S	Base 1989 amount for PINX(70) - Ending point for EITC phase-out
BASE71	BLK_CREATE	R	S	Base 1989 amount for PINX(71) - Ending point for EITC phase-in
BASE72	BLK_CREATE	R	S	Base 1989 amount for PINX(72) - Starting point for EITC phase-out
BASE73	BLK_CREATE	R	S	Base 1989 amount for PINX(73) - Maximum EITC credit
BASEA	TXCLCX_V12	R	S	Base amounts of itemized deductions subject to phase-out
BASERED	SECA_CALC	R	S	Reduction of self-employment earnings base for calculating SECA taxes
BASEXM	BLK_CREATE	R	A	Array used for calculating inflation adjustments to personal exemptions
BASE_SEERN	SSTAXES	R	S	Schedule SE net earning - total
BASE_SEERNP	SSTAXES	R	S	Schedule SE net earning - primary
BASE_SEERNS	SSTAXES	R	S	Schedule SE net earning - spouse

TABLE 10.1 (continued)

LIST OF TAX MODEL VARIABLES

VARIABLE	SUB-ROUTINE	T	M	— DESCRIPTION OF THE VARIABLE —
BASE_WAS	SSTAXES	R	S	Base wages for calculating FICA taxes
BASE_WASP	SSTAXES	R	S	Base wages for calculating FICA taxes - primary
BASE_WASS	SSTAXES	R	S	Base wages for calculating FICA taxes - spouse
BCLIM	TXCLCX_V12	R	S	General business credit limit
BIL	CINPUT	R	S	Business or profession net profit/loss
BLNDE	CINPUT	R	S	Number of blind taxpayers on return
BLNK	COVER_PAGE	C	S	The literal blank
BLOCKA	UNPACK2_DOUBLE_INT2	R	A	First read buffer for unpacked data
BLOCKB	UNPACK2_DOUBLE_INT2	R	A	Second read buffer for unpacked data
BOBRA	TXCLCE_V12	R	A	Array used for calculating inflation adjustments to OBRA90 law tax parameters
BSD	CINPUT	R	S	Basic standard deduction
BSE	TXCLCX_V12	R	S	Base income at which Social Security benefits become taxable
BUFFR	CINPUT	R	A	Data input buffer (unused)
BUSCR	BLOWUP_V12	R	S	Blowup factor - business credits
BUSI	BLOWUP_V12	R	S	Schedule C business income plus partnership business income
CAF	CSAVE1	I	S	Flag on $SAMPLE indicating that the C&F supplemental file is processed
CAFHE	CINPUT	R	S	Children away from home exemptions
CAHE	CINPUT	R	S	Children at home exemptions
CASUAL	CINPUT	R	S	Net casualty or theft loss
CCCPYR	CINPUT	R	S	Credit based on prior-year expenses
CCCX	CINPUT	R	S	Child care credit - Plan X
CCCY	CINPUT	R	S	Child care credit - Plan Y
CCE	CINPUT	R	S	Net qualifying child care expenses
CCECYR	CINPUT	R	S	Total child care expenses in the current year
CCEI	CINPUT	R	S	Earned income used for calculating the child care credit
CCLIM	CINPUT	R	S	Disallowed charitable contributions deduction
CCQI	CINPUT	R	S	Number qualifying child care dependents
CCQME	CINPUT	R	S	Qualifying individual expenses
CEILING	TXCLCX_V12	R	S	Starting point for the phase-out of itemized deductions
CG	TABLES_V12	R	S	Long-term gains included in AGI - included in the output tables
CGAGI	FORM8582_CALC	R	S	Net capital gain/loss in AGI
CGAGIX	CINPUT	R	S	Net capital gain/loss in AGI - Plan X
CGAGIY	CINPUT	R	S	Net capital gain/loss in AGI - Plan Y
CGD40	CINPUT	R	S	Capital gain distributions reported on 1040
CGDNRD	CINPUT	R	S	Capital gains distributions reported on 1040
CGT	TABLES_V12	R	S	Lesser of taxable income or long-term gains included in AGI
CGTAX	TAXX_V12	R	S	Tax on capital gains (at a 28% rate)
CGTAXB	TXCLCX_V12	R	S	Tax on capital gains for kiddy tax returns
CGTAXX	CINPUT	R	S	Tax on capital gains (at a 28% rate) - Plan X
CGTAXY	CINPUT	R	S	Tax on capital gains (at a 28% rate) - Plan Y
CHANGE	MAIN1	N	M	Name list for specifying which which tax plans will change and how
CHDG	TABOUT	C	A	Column headings for special tabulations
CHWAS	CINPUT	R	S	Church wages reported on Schedule SE, total
CHWASP	CINPUT	R	S	Church wages reported on Schedule SE, primary
CHWASS	CINPUT	R	S	Church wages reported on Schedule SE, secondary
CIE	CINPUT	R	S	Interest deductions: Personal interest deduction
COBRA	TAB02	C	A	Character array of marginal tax rates under OBRA90 law
COMBCG	TXCLCX_V12	R	S	Long-term gains in AGI combined for all family members - for kiddy tax filers

TABLE 10.1 (continued)

LIST OF TAX MODEL VARIABLES

VARIABLE	SUB-ROUTINE	T	M	— DESCRIPTION OF THE VARIABLE —
COMBI	CINPUT	R	S	Form 8615 total income
COMBRTM	TXCLCX_V12	R	S	Marginal tax rate on combined income for kiddy tax filers
COMBST	TXCLCX_V12	R	S	Pre-OBRA90 surtax on combined income for kiddy tax filers
COMBTX	CINPUT	R	S	Tax on combined income for Form 8615 (kiddy tax filers)
CPI	BLOWUP_V12	R	S	CPI-based blowup factor
CPIFILL	BLK_CREATE	R	A	Dummy CPI array
CPS	CINPUT	R	A	Array of Current Population Survey real values
CPUSUP_CALL	MAIN1	R	S	Flag indicating whether CPUSUP has been called
CRMAX	TXCLCX_V12	R	S	Maximum allowable credit from all sources
CSRCE	CSAVE3	I	S	Parameter to select actual classifier stub values
CSTUB	CSAVE3	C	A	Character description of stubs classifier array
CSTUBD	CSAVE3	I	S	Parameter to select classifier definition
CTRA	TAB02	C	A	Character array of marginal tax rates under pre-OBRA90 (TRA) law
CYITC	CINPUT	R	S	Statutory investment credit
CYLOS	DIS_PSLOS89_ALT	R	S	Net current year passive losses
CYLTG	CINPUT	R	S	Current year long-term capital gains
CYLTL	CINPUT	R	S	Current year long-term capital losses
CYPSLOS	DIS_PSLOS89_ALT	R	S	Current year passive losses
CYSTG	CINPUT	R	S	Current year short-term capital gains
CYSTL	CINPUT	R	S	Current year short-term capital losses
CZ10	FORM8582_CALC	R	S	Calculated net income/loss from all activities before 10/23/86
CZ11	FORM8582_CALC	R	S	Calculated excluded rental loss in computing phase-in
CZ12	FORM8582_CALC	R	S	Calculated non-rental net losses before 10/23/86
CZ13	FORM8582_CALC	R	S	Calculated all net losses less allowable rental loss
CZ14	FORM8582_CALC	R	S	Calculated net loss amount subject to phase-in
CZ15	FORM8582_CALC	R	S	Calculated phase-in amount for computing total loss
CZ16	FORM8582_CALC	R	S	Calculated allowable current year rental loss
CZ17	FORM8582_CALC	R	S	Calculated passive act loss allowed for current year
CZ18	FORM8582_CALC	R	S	Calculated net income for all activities
CZ19	FORM8582_CALC	R	S	Calculated total current year passive activities loss allowed
CZ1A	FORM8582_CALC	R	S	Calculated active rental net income before 10/23/86
CZ1B	FORM8582_CALC	R	S	Calculated active rental net loss before 10/23/86
CZ1C	FORM8582_CALC	R	S	Calculated active rent net income/loss before 10/23/86
CZ1D	FORM8582_CALC	R	S	Calculated active rental net income after 10/22/86
CZ1E	FORM8582_CALC	R	S	Calculated active rental net loss after 10/22/86
CZ1F	FORM8582_CALC	R	S	Calculated active rent net income/loss before 10/22/86
CZ1G	FORM8582_CALC	R	S	Calculated active rental net income/loss
CZ1H	FORM8582_CALC	R	S	Calculated prior year disallowed active losses
CZ1I	FORM8582_CALC	R	S	Calculated combined year active rental net income/loss
CZ2A	FORM8582_CALC	R	S	Calculated passive activity net income before 10/23/86
CZ2B	FORM8582_CALC	R	S	Calculated passive activity net loss before 10/23/86
CZ2C	FORM8582_CALC	R	S	Calculated passive activity net income/loss before 10/23/86
CZ2D	FORM8582_CALC	R	S	Calculated passive activity net income after 10/22/86
CZ2E	FORM8582_CALC	R	S	Calculated passive activity net loss after 10/22/86
CZ2F	FORM8582_CALC	R	S	Calculated passive activity net income loss after 10/22/86
CZ2G	FORM8582_CALC	R	S	Calculated passive activity net income loss
CZ2H	FORM8582_CALC	R	S	Calculated prior year disallowed passive losses
CZ2I	FORM8582_CALC	R	S	Calculated combined passive activity and income loss

TABLE 10.1 (continued)

LIST OF TAX MODEL VARIABLES

VARIABLE	SUB-ROUTINE	T	M	— DESCRIPTION OF THE VARIABLE —
CZ3	FORM8582_CALC	R	S	Calculated passive and rental net income loss
CZ4	FORM8582_CALC	R	S	Calculated rental net loss for computing allowance
CZ5	FORM8582_CALC	R	S	Calculated maximum modified AGI
CZ6	FORM8582_CALC	R	S	Calculated actual modified AGI
CZ7	FORM8582_CALC	R	S	Calculated modified AGI subject to reduction
CZ8	FORM8582_CALC	R	S	Calculated reduced modified AGI
CZ9	FORM8582_CALC	R	S	Calculated allowable rental activity loss
C_LAW	CSAVE3	C	A	Character array for tax law regime
D	CINPUT	R	A	"Real" portion of the tax model's standard data record
DATA	TXCLCX_V12	R	A	Dummy storage for transferring data from calculators to MAIN2
DATAX	MAIN2_V12	R	A	Dummy storage for transferred data from TXCLCX
DATAY	MAIN2_V12	R	A	Dummy storage for transferred data from TXCLCY
DBE	CINPUT	R	S	Dividend income
DBL	TXCLCX_V12	R	S	Indicator and factor used when both spouses have an IRA deduction
DEDKID	CINPUT	R	S	Form 8615 deductions
DEDMED	CINPUT	R	S	Medical deduction: Total deduction
DEDMIS	CINPUT	R	S	Net limited miscellaneous deductions
DELTX	TABLES_V12	R	S	Change in tax liability for output tables
DEPNE	CINPUT	R	S	Number of dependents
DIFF	PSLOS_CREATE89_ALT	R	S	Difference between Z19 and TAPL
DIKID1	CINPUT	R	S	1st child, gross taxable interest and dividends reported on Form 8814
DIKID2	CINPUT	R	S	2nd child, gross taxable interest and dividends reported on Form 8814
DIKID3	CINPUT	R	S	3rd child, gross taxable interest and dividends reported on Form 8814
DIKID4	CINPUT	R	S	Dividends and interest of 4th+ children reported on Form 8814
DIKIDT	CINPUT	R	S	Combined gross taxable interest and dividends reported on Form 8814
DIKOTH	CINPUT	R	S	Combined taxable interest and dividends from siblings
DISAL	FORM8582_CALC	R	S	Total calculated disallowed passive losses
DISAPRL	DIS_PSLOS89_ALT	R	S	Disallowed active rental partnership losses
DISCIE	TXCLCX_V12	R	S	Disallowed consumer interest expenses
DISID	TXCLCX_V12	R	S	Disallowed itemized deductions
DISIDA	TXCLCX_V12	R	S	Preliminary disallowed itemized deductions
DISIIE	TXCLCX_V12	R	S	Disallowed investment interest expenses
DIS_OTHR	DIS_PSLOS89_ALT	R	S	Disallowed non-rent passive losses
DIS_PCAPL	DIS_PSLOS89_ALT	R	S	Disallowed capital passive losses
DIS_PESTUL	DIS_PSLOS89_ALT	R	S	Disallowed passive estates and trusts losses
DIS_PFARML	DIS_PSLOS89_ALT	R	S	Disallowed passive Schedule F farm losses
DIS_PFRNTL	DIS_PSLOS89_ALT	R	S	Disallowed passive farm rental losses
DIS_PPARTL	DIS_PSLOS89_ALT	R	S	Disallowed passive partnership losses
DIS_PSBCL	DIS_PSLOS89_ALT	R	S	Disallowed passive small business corporation losses
DIS_PSCHCL	DIS_PSLOS89_ALT	R	S	Disallowed passive Schedule C business losses
DIS_RENT	DIS_PSLOS89_ALT	R	S	Disallowed passive combined rental losses
DIS_RENTL	DIS_PSLOS89_ALT	R	S	Disallowed passive Schedule E rental losses
DIS_TPASL	DIS_PSLOS89_ALT	R	S	Total disallowed passive losses
DIV	BLOWUP_V12	R	S	Dividend income blowup factor
DMFS	CINPUT	R	S	Married filing separate flag (.5 if MFS)
DMFSH	CINPUT	R	S	Married filing separate flag for parent
DNAME	SAMPL1_V12	C	S	Name of the file with the logical INPUT1
DS	CINPUT	R	A	"Real" portion of the tax model's supplemental data record

TABLE 10.1 (continued)

LIST OF TAX MODEL VARIABLES

VARIABLE	SUB-ROUTINE	T	M	— DESCRIPTION OF THE VARIABLE —
DSLITX	TXCLCX_V12	R	S	Disallowed state+local tax deductions
DX	CINPUT	R	S	Greater of standard deduction or itemized deductions - Plan X
DY	CINPUT	R	S	Greater of standard deduction or itemized deductions - Plan Y
D_CAPL	CINPUT	R	S	Disallowed passive capital losses
D_ESTUL	CINPUT	R	S	Disallowed passive estate losses
D_FARML	CINPUT	R	S	Disallowed passive farm losses
D_FRNTL	CINPUT	R	S	Disallowed passive farm rental losses
D_PARTL	CINPUT	R	S	Disallowed passive partnership losses
D_RENTL	CINPUT	R	S	Disallowed rental losses
D_SBCL	CINPUT	R	S	Disallowed passive SBC losses
D_SCHCL	CINPUT	R	S	Disallowed passive sole-proprietorship losses
D_TAPL	CINPUT	R	S	Total disallowed passive losses
E	MAIN1	R	A	Personal exemption tax parameter array
EARN1	TXCLCX_V12	R	S	Earned income of dependent filers
EARN2	TXCLCX_V12	R	S	Earned income for calculating EITC
EARNK	TXCLCX_V12	R	S	Earned income of kiddy tax filers
EBASE	TXCLCE_V12	R	S	Base amount of itemized deductions subject to phase-out - for extrapolation purposes
ECFICA	SSTAXES	R	S	Employer portion of FICA taxes
EDISRENT	PSLOS_CREATE89_ALT	R	S	Disallowed Schedule E rental losses
EDIT	MAIN1	N	M	Name list for modifying the output parameters
EE	TXCLCE_V12	R	A	Personal exemption amounts - for extrapolation purposes
EF	PACK_INT2	I	S	Event flag
EFN	TXCLCE_V12	R	S	Statutory inflation adjustment parameter - for extrapolation purposes
EFR	TXCLCE_V12	R	S	Inflation adjustment for all dollar parameters - for extrapolation purposes
EICHEAL	CINPUT	R	S	Earned income credit for returns with health insurance expenses
EICKID	CINPUT	R	S	Flag for kids being claimed for EITC only
EICX	CINPUT	R	S	Earned income credit - Plan X
EICY	CINPUT	R	S	Earned income credit - Plan Y
EIL	TXCLCE_V12	I	S	Parameter for tax law regime (pre-OBRA90 or OBRA90) - for extrapolation purposes
ELDCRX	CINPUT	R	S	Elderly and disabled credit - Plan X
ELDCRY	CINPUT	R	S	Elderly and disabled credit - Plan Y
ELDNTI	CINPUT	R	S	Nontaxable disability and pension benefit
ELDTXI	CINPUT	R	S	Taxable disability and pension income
EMPLCC	CINPUT	R	S	Dependent care employer benefits amount
ENB	TXCLCE_V12	I	A	Number of brackets - for extrapolation purposes
EPIN	TXCLCE_V12	R	A	Miscellaneous tax parameters - for extrapolation purposes
ESTU	CINPUT	R	S	Net estate income
ETM	TXCLCE_V12	R	A	Tax schedule marginal tax rates - for extrapolation purposes
ETR	TXCLCE_V12	R	A	OBRA90 law tax parameters - for extrapolation purposes
ETS	TXCLCE_V12	R	A	Tax schedule amount of tax - for extrapolation purposes
ETY	TXCLCE_V12	R	A	Tax schedule bracket amounts - for extrapolation purposes
EX	CSAVEX	R	A	Personal exemption parameter - Plan X
EXCESS	TXCLCX_V12	R	S	Maximum amount of itemized deductions that can be phased out
EXCLCC	CINPUT	R	S	Dependent care exclusion
EXEM	TXCLCX_V12	R	S	Tentative exemption amount
EXEMH	TXCLCE_V12	R	S	Exemption amount for parent of kiddy tax filers
EXEMK	TXCLCE_V12	R	S	Exemption amount for kiddy tax filers
EXEMX	CINPUT	R	S	Exemption amount - Plan X

TABLE 10.1 (continued)

LIST OF TAX MODEL VARIABLES

VARIABLE	SUB-ROUTINE	T	M	— DESCRIPTION OF THE VARIABLE —
EXEMY	CINPUT	R	S	Exemption amount - Plan Y
EXLCG	TXCLCX_V12	R	S	Excluded long term capital gains
EXMOVE	CINPUT	R	S	Moving expenses
EXPH	TAXX_V12	R	S	Starting point for 5% surtax on personal exemptions
EY	CSAVEY	R	A	Personal exemption parameter - Plan Y
F88B	BLK_CREATE	R	S	Adjustment factor of tax parameters with statutory indexing, 1988 base year
F89B	BLK_CREATE	R	S	Adjustment factor of tax parameters with statutory indexing, 1989 base year
F90B	BLK_CREATE	R	S	Adjustment factor of tax parameters with statutory indexing, 1990 base year
F91B	BLK_CREATE	R	S	Adjustment factor of tax parameters with statutory indexing, 1991 base year
FBUSI	BLOWUP_V12	R	S	Farm business income blowup factor
FDED	CINPUT	I	S	Form of deduction code
FDMISC	CINPUT	R	S	Non-limited miscellaneous deductions
FEI	CINPUT	R	S	Family economic income (FEI)
FEI_BUILD	SAMPL1_V12	R	S	Tentative family economic income
FELLOW	CINPUT	R	S	Fellowship income included in other income
FHIP	SSTAXES	R	S	Health insurance tax portion of FICA taxes - primary
FHIS	SSTAXES	R	S	Health insurance tax portion of FICA taxes - spouse
FHITAX	SSTAXES	R	S	Health insurance tax rate under FICA taxes
FICA	SSTAXES	R	S	FICA tax amount
FICAP	SSTAXES	R	S	FICA tax amount - primary
FICAS	SSTAXES	R	S	FICA tax amount - spouse
FIDEDX	MAIN2_V12	I	S	Itemizer/non-itemizer flag - Family head (Plan X)
FIDEDY	MAIN2_V12	I	S	Itemizer/non-itemizer flag - Family head (Plan Y)
FIL	CINPUT	R	S	Schedule F farm income or loss
FITAX	SSTAXES	R	S	FICA tax rate
FLGSTR	CINPUT	I	S	Filing status/age indicator box from Schedule R
FN	MAIN1	R	S	Statutory inflation adjustment parameter
FNA	MAIN1	R	S	Statutory inflation growth factor
FNX	CSAVEX	R	S	Statutory inflation adjustment parameter - Plan X
FNY	CSAVEY	R	S	Statutory inflation adjustment parameter - Plan Y
FOREXC	CINPUT	R	S	Foreign earned income exclusion
FORHE	CINPUT	R	S	Foreign housing adjustment
FR	MAIN1	R	S	Inflation adjustment for all dollar parameters
FRA	MAIN1	R	S	Inflation growth factor for all dollar parameters
FRNT	PSLOS_CREATE89_ALT	R	S	Farm rental income or loss
FRNTL	PSLOS_CREATE89_ALT	R	S	Farm rental losses
FRX	CSAVEX	R	S	Inflation adjustment for all dollar parameters - Plan X
FRY	CSAVEY	R	S	Inflation adjustment for all dollar parameters - Plan Y
FSLAB	CSAVE3	C	A	Character array with the return type
FTCX	CINPUT	R	S	Foreign tax credit - Plan X
FTCY	CINPUT	R	S	Foreign tax credit - Plan Y
FUEL	CINPUT	R	S	Alcohol fuel credit
FX	MAIN2_V12	R	A	Array for collecting basic Plan X simulation results on a family basis
FY	MAIN2_V12	R	A	Array for collecting basic Plan Y simulation results on a family basis
G401	BLOWUP_V12	R	S	IRA and 401k contributions blowup factor
GAINLT	TAXX_V12	R	S	Included long term gains in AGI
GBCRX	CINPUT	R	S	General business credit - Plan X
GBCRY	CINPUT	R	S	General business credit - Plan Y

TABLE 10.1 (continued)

LIST OF TAX MODEL VARIABLES

VARIABLE	SUB-ROUTINE	T	M	— DESCRIPTION OF THE VARIABLE —
GBCYO	CINPUT	R	S	Credits carried forward from 1988
GEN	COVER_PAGE	C	A	Character array containing a general run description
GNP	BLOWUP_V12	R	S	GNP growth-based blowup factor
GVWAS	CINPUT	R	S	Government wages reported on Schedule SE, Total
GVWASP	CINPUT	R	S	Government wages reported on Schedule SE, Primary
GVWASS	CINPUT	R	S	Government wages reported on Schedule SE, Spouse
HEADCG	TXCLCX_V12	R	S	Included long term gains in AGI by kiddy tax parent
HEADRTM	TXCLCX_V12	R	S	Marginal tax rate of kiddy tax parent's return
HEADST	TXCLCX_V12	R	S	Pre-OBRA90 surtax amount on kiddy tax parent's return
HEADTX	CINPUT	R	S	Kiddy tax parent's regular tax liability
HEALSE	CINPUT	R	S	Self-employed health insurance deduction
HIBASEP	SSTAXES	R	S	Base amount for calculating health insurance portion of FICA taxes - primary
HIBASES	SSTAXES	R	S	Base amount for calculating health insurance portion of FICA taxes - spouse
HIMAX	SSTAXES	R	S	Maximum earnings amount for the health insurance portion of FICA taxes
HMIE	CINPUT	R	S	Home mortgage interest expense
HOMEI	BLOWUP_V12	R	S	Home mortgage interest blowup factor
I0	CSAVE4	I	S	Storage location in T array for the first standard output table
I1	CSAVE4	I	S	Storage location in T array for the second standard output table
I2	CSAVE4	I	S	Storage location in T array for the third standard output table
I2555	CINPUT	I	S	Foreign earned income credit form (2555)
I3	CSAVE4	I	S	Storage location in T array for the fourth standard output table
I4	CSAVE4	I	S	Storage location in T array for the fifth standard output table (not used)
I5	CSAVE4	I	S	Storage location in T array for the sixth standard output table (not used)
I6	CSAVE4	I	S	Storage location in T array for the seventh standard output table (not used)
I6251	CINPUT	I	S	Alternative minimum tax form (6251) indicator
I7	CSAVE4	I	S	Storage location in T array for the eighth standard output table (not used)
I8	CSAVE4	I	S	Storage location in T array for the ninth standard output table (not used)
I8615	CINPUT	I	S	Kiddy tax form indicator
I8814	CINPUT	I	S	Parent's elective kiddy tax form indicator
I9	CSAVE4	I	S	Storage location in T array for the tenth standard output table (not used)
IADDX	CINPUT	I	S	Marginal tax rate adjustment flag - Plan X
IADDY	CINPUT	I	S	Marginal tax rate adjustment flag - Plan Y
IAGEFG	CINPUT	I	S	Age imputation flag
IBASE	BLOWUP_V12	I	S	Base year for extrapolation (1989)
IBLK	SAMPL_IMPT	I	S	Number of data blocks processed
IBLOCK	SAMPLI_V12	I	S	Number of data blocks processed
IBS	BLOWUP_V12	I	S	Base year index value for extrapolation
IBUSI	BLOWUP_V12	I	S	Source of dominant business income indicator
ICAF	SAMPL2_V12	I	S	Record length of Supplemental file
ICALL	TABLES_V12	I	S	Flag indicating that the routine has been called
ICOUNTA	UNPACK2_DOUBLE_INT2	I	S	Count of number of records processed in current BLOCKA
ICOUNTB	UNPACK2_DOUBLE_INT2	I	S	Count of number of records processed in current BLOCKB
ICPS	CINPUT	I	A	Array of Current Population Survey integer values
ICPSDEP	CINPUT	I	S	CPS file dependent indicator
ICPSWRD	SAMPL_IMPT	I	S	Record length of CPS companion file
ICPS_INT2	CINPUT	I	A	Array of CPS integer values stored in 2-byte words
ICPS_INT4	CINPUT	I	A	Array of CPS integer values stored in 4-byte long-words
ICT1	MAIN2_V12	I	S	Count of number of records processed

TABLE 10.1 (continued)

LIST OF TAX MODEL VARIABLES

VARIABLE	SUB-ROUTINE	T	M	— DESCRIPTION OF THE VARIABLE —
ICT2	MAIN2_V12	I	S	Count of number of records passed to output tables
ICT3	MAIN2_V12	I	S	Number of unprocessed records
ID	TAXTAB	I	S	Pointer in a character string output array
IDATE	BLOWUP_V12	C	S	Character variable showing the creation date of the BLOWUP routine
IDCPS	CINPUT	I	S	CPS identifier number
IDEDO	CINPUT	I	S	Original itemizer/non-itemizer flag
IDEDX	CINPUT	I	S	Itemizer/non-itemizer flag - Plan X
IDEDY	CINPUT	I	S	Itemizer/non-itemizer flag - Plan Y
IDENT	CINPUT	I	A	Input array containing a return's identifier information
IDISPAS	PSLOS_CREATE89_ALT	I	S	Flag indicating whether DIS_PSLOS89 should be called
IECPEN	CINPUT	I	S	With IRA and employee pension plan flag
IEND	SAMPL1_V12	I	S	Error trap count of the number of times the input file is closed
IEOF	READFEI_03FEB93	I	S	End of file indicator
IEOF1	MAIN2_V12	I	S	End of file indicator
IEOF2	MAIN2_V12	I	S	End of file indicator
IER	COVER_PAGE	I	S	Error flag status word
IERR	COVER_PAGE	I	S	Error flag status word
IEXTRAP	FORM8582_CALC	I	S	Flag indicating whether the routine is being called within an extrapolation
IFAST	MAIN2_V12	I	S	Flag to indicate that only certain variables are to be tabulated on a family basis
IFDEPT	CINPUT	I	S	Dependent flag
IFILST	CINPUT	I	S	Filing status indicator
IFIRST	TXCLCX_V12	I	S	Flag set on the first call to the tax calculator
IFLAG	SAVEX_V12	I	S	Flag to indicate whether the XSAVE array is to be filled or extracted from
IHEALTH	CINPUT	I	S	Health insurance expenses for child flag
II2	TABLES_V12	I	S	Indicator for the number of rows in Table 02
IIE	CINPUT	R	S	Investment interest paid
IKCOMB	TXCLCX_V12	I	S	Marginal tax rate class, pre-OBRA90 law, combined income of kiddy tax filers
IKERN	TXCLCX_V12	I	S	Marginal tax rate class, pre-OBRA90 law, kiddy tax filers own earned income
IKHEAD	TXCLCX_V12	I	S	Marginal tax rate class, pre-OBRA90 law, parent of kiddy tax filer
IL	PROUT	I	S	Indicator for tax regime being processed (TRA or OBRA)
ILC	TABLES_V12	I	S	Indicator for the number of columns in Table 02
ILX	CSAVE1	I	S	Indicator for tax regime to be processed (pre-OBRA90 or OBRA90) - Plan X
ILY	CSAVE1	I	S	Indicator for tax regime to be processed (pre-OBRA90 or OBRA90) - Plan Y
IMAT	CINPUT	I	A	Array of variables on the Match file specific to the SOI-CPS match
IN	PACK_INT2	I	S	Length of the record to be packed
INA	UNPACK2_DOUBLE_INT2	I	S	Flag indicating that input BLOCKA is currently being processed
INB	UNPACK2_DOUBLE_INT2	I	S	Flag indicating that input BLOCKA is currently being processed
INCOME	TABLES_V12	R	S	Classifier income for the output tables
INDEX	READFEI_03FEB93	I	S	Pointer within WBUFFR indicating the FEI value being read
INDYP	SSTAXES	I	S	Industry flag - primary
INDYS	SSTAXES	I	S	Industry flag - spouse
INEG	TXCLCE_V12	I	S	Indicator for returns with negative AGI and itemized deductions
INEOF	SAMPL1_V12	I	S	End of file indicator
INEOF2	SAMPL2_V12	I	S	End of file indicator
INFANT	CINPUT	I	S	Return with infant under 1 year flag
INLCGH	TXCLCE_V12	R	S	Long-term capital gains included in AGI by parent of kiddy tax filer
INLCGX	CINPUT	R	S	Long-term capital gains included in AGI - Plan X
INLCGY	CINPUT	R	S	Long-term capital gains included in AGI - Plan Y

TABLE 10.1 (continued)

LIST OF TAX MODEL VARIABLES

VARIABLE	SUB-ROUTINE	T	M	— DESCRIPTION OF THE VARIABLE —
INSETA	TABOUT	C	A	Header array
INSETB	TABOUT	C	A	Repetition factor formats
INSETC	TABOUT	C	A	Used to construct output format array
INSETD	TABOUT	C	A	Footing array
INSETE	TABOUT	C	A	Footing array
INTER	BLOWUP_V12	R	S	Interest income blowup factor
INTEXP	BLOWUP_V12	R	S	Interest expense blowup factor
INTST	CINPUT	R	S	Interest income received
IOSTA	UNPACK2_DOUBLE_INT2	I	A	Status word on input read to BLOCKA
IOSTB	UNPACK2_DOUBLE_INT2	I	A	Status word on input read to BLOCKB
IOUT	PACK_INT2	I	A	Output block being packed
IOUTYR	SSTAXES	I	S	Law year being processed
IPACK	PACK_INT2	I	S	Number of blocks packed
IPLAN	TAB01_FILL_V12	I	S	Indicator of the tax plan being processed (Plan X or Plan Y)
IPREP	CINPUT	I	S	Tax paid preparer indicator
IRATECL	TAXX_V12	I	S	Marginal tax rate class, pre-OBRA90 law
IRAX	CINPUT	I	A	IRA deduction - Plan X
IRAY	CINPUT	I	A	IRA deduction - Plan Y
IRC	SAMPL_IMPT	I	S	Number of records processed
IRCLX	CINPUT	I	S	Marginal tax rate class, pre-OBRA90 law, Plan X
IRCLY	CINPUT	I	S	Marginal tax rate class, pre-OBRA90 law, Plan Y
IREAD	UNPACK2_DOUBLE_INT2	I	S	Number of blocks read
IRECA	UNPACK2_DOUBLE_INT2	I	S	Number of records in current BLOCKA
IRECB	UNPACK2_DOUBLE_INT2	I	S	Number of records in current BLOCKB
IRECT	SAMPL1_V12	I	S	Number of records processed
IROW	TABLES_V12	I	S	Row in Table 02 being filled
IRWFLG	PACK_INT2	I	S	Status word when the input file is closed
ISCALE	TABOUT	I	A	Scale factors for special tabulations
ISCHC_RENT	DIS_PSLOS89_ALT	I	S	Indicator that the Schedule C business income is also rental income
ISEQ_CPS	CINPUT	I	S	Sequence number of the CPS companion file
ISPACE	PROUT	I	A	Array of indicators showing where PROUT should place a blank line
ISPACE2	PROUT	I	A	Array of indicators showing where PROUT should place a blank line
ISTART	BLOWUP_V12	I	S	Flag indicating the blowup factors are set
ISTAT	PACK_INT2	I	S	Status word in input file read
ISTATE	CINPUT	I	S	State indicator
ISTD	SAMPL1_V12	I	S	Record length of standard Base file
ISTYR	BLK_CREATE	I	S	The year that dollar parameters should be adjusted to
ITAPE	UNPACK2_DOUBLE_INT2	I	S	Indicator that input file is being processed from tape
ITF	TABOUT	I	S	Page break indicator
ITOM	CSAVE3	I	A	Storage array for the date and time
ITOT	TABLES_V12	I	S	Indicator for the total-row in table 02
ITOTAL	PACK_INT2	I	S	Total number of blocks packed
ITUNO	CINPUT	I	S	Tax unit number in family
ITYPE	PACK_INT2	I	S	Type of VNTRAN operation, (1=reading, 2=writing)
IWRITE	PACK_INT2	I	S	Total number of records packed
IYEAR	BLOWUP_V12	I	S	Out-year for an extrapolation
IYR	BLOWUP_V12	I	S	Out-year index value for extrapolation
J2ERNFG	CINPUT	R	S	Earning split imputations flag

TABLE 10.1 (continued)

LIST OF TAX MODEL VARIABLES

VARIABLE	SUB-ROUTINE	T	M	— DESCRIPTION OF THE VARIABLE —
JD	TABLES_V12	I	S	Itemizer/non-itemizer indicator for output tables
JDX	TABLES_V12	I	S	Itemizer/non-itemizer indicator for output tables - Plan X
JDY	TABLES_V12	I	S	Itemizer/non-itemizer indicator for output tables - Plan Y
JF	FAMTAB_V12	I	S	Family type for family Table 03
JOBS	CINPUT	R	S	Jobs credit
JS	CINPUT	I	S	Tax model filing status
JSH	CINPUT	I	S	Tax model filing status of parent
JY	TABLES_V12	I	S	Income class
JYEAR	READFEI_03FEB93	I	S	Year of FEI companion file
JZ	TABLES_V12	I	S	Output table array pointer
K1	TXCLCX_V12	I	S	Parameter for disability income inclusion in the elderly credit
K2	TXCLCX_V12	I	S	Parameter for an AGI adjustment in the elderly credit
K3	TXCLCX_V12	I	S	Parameter for for whether disability income should be reported
KEOF	SAMPL1_V12	I	S	End of file indicator
KEOGH	CINPUT	R	S	Payments to KEOGH
KK	BLK_CREATE	I	S	Difference between ISTYR and 1988
KS	TXCLCX_V12	I	S	Special filing status index
L4797	CINPUT	R	S	Form 4797 gains
LA	PROUT	C	A	Parameter description character array
LAW	CSAVE1	I	S	Law year being processed
LB	PROUT	C	S	Type of parameter descriptor ($ parameter or % parameter)
LC	PROUT	C	S	Type of parameter descriptor ($ parameter or % parameter) for pre-OBRA90 parameters
LCAPGL	BLOWUP_V12	R	S	Long-term capital gains blowup factor
LCGD	CINPUT	R	S	Schedule D capital gain distributions
LESSTX	TXCLCX_V12	R	S	Deductions subject to phase-out (BASEA) with corrected state income tax expenses
LEVEL	PACK_INT2	I	S	Number of blocks on previous output volume
LIHCR	CINPUT	R	S	Low-income housing credit
LIN	PACK_INT2	I	S	Length of record to be packed
LINE	TAXTAB	C	A	Output line for tax rate schedule
LINEA	TABOUT	C	A	Table descriptor for a TABOUT table
LINEB	TABOUT	C	A	Variable format for an unbroken underline in a TABOUT table
LINEC	TABOUT	C	A	Variable format for the rows in a TABOUT table
LINED	TABOUT	C	A	Variable format for a broken underline in a TABOUT table
LINEE	TABOUT	C	A	Variable format for the total row in a TABOUT table
LINEF	TABOUT	C	A	Variable format for footer information in a TABOUT table
LINEG	TABOUT	C	A	Variable format for footer information in a TABOUT table
LINES	TABOUT	I	S	Current number of lines printed
LINK_SK	CINPUT	I	S	Link sequence number
LINSTL	CINPUT	R	S	Long-term installment gain
LLONG	PACK_INT2	I	S	Number of long-words in output record
LOGIC	CSAVE3	I	A	Print control logic switches (not used)
LOUT	PACK_INT2	I	S	Number of variables in output record
LPARTG	CINPUT	R	S	Long-term partnership/S-Corp gain
LPARTL	CINPUT	R	S	Long-term partnership/S-Corp loss
LRESCG	CINPUT	R	S	Long-term residence gain
LTG	CINPUT	R	S	Current long-term gains
LTL	CINPUT	R	S	Current long-term losses
LTTAXA	CINPUT	R	S	Adjusted income tax after credits

TABLE 10.1 (continued)

LIST OF TAX MODEL VARIABLES

VARIABLE	SUB-ROUTINE	T	M	— DESCRIPTION OF THE VARIABLE —
LTXUNT	MAIN2_V12	I	S	Flag for last tax unit in family
LUN	PACK_INT2	I	S	Logical unit number
LVEC	UNPACK2_DOUBLE_INT2	I	S	Length (number of variables) in input record
LYEAR	READWT_V12_5	I	S	Extrapolation outyear
M	CINPUT	I	A	"Integer" portion of the tax model's standard data record
M1	COVER_PAGE	C	S	Character variable containing the first digit in the run number
M2	COVER_PAGE	C	S	Character variable containing the second digit in the run number
M3	COVER_PAGE	C	S	Character variable containing the third digit in the run number
M4	COVER_PAGE	C	S	Character variable containing the fourth digit in the run number
MARS	CINPUT	I	S	Marital (filing) status
MARSH	CINPUT	I	S	Parents filing status code
MAT	SAMPL1_V12	C	A	Character string indicating the Match file is processed
MATCH	CSAVE1	I	S	Flag indicating whether the Match file is processed
MAX	TAXTAB	I	S	Maximum number of brackets among the three filing classes
MED	BLOWUP_V12	R	S	Medical expenses blowup factor
MFSEXM	CINPUT	I	S	Spouse exemption flag for MFS returns
MFSEXMH	CINPUT	I	S	Spouse exemption flag for MFS parent
MFSREQ	CINPUT	I	S	MFS itemized deductions requirement indicator
MICRX	CINPUT	R	S	Mortgage interest credit - Plan X
MICRY	CINPUT	R	S	Mortgage interest credit - Plan Y
MKIND	DIS_PSLOS89_ALT	I	S	Number of sources of passive losses
MLCH	TABOUT	I	S	Maximum number of lines for column headings
MO	CINPUT	I	S	Filing period - Month
MS	CINPUT	I	A	"Integer" portion of the tax model's supplemental data record
MSL	CINPUT	I	A	"Integer" long-word portion of the tax model's supplemental data record
MS_INT2	CINPUT	I	A	"Integer" 2-byte word portion of the tax model's supplemental data record
M_INT2	CINPUT	I	A	"Integer" 2-byte word portion of the tax model's standard data record
NB	CTINCP	I	A	Number of tax brackets
NBLKI	READFEI_03FEB93	I	S	Number of blocks read
NBRACS	MAIN1	I	S	Number of brackets in the tax rate schedule
NBRP1	RINDX	I	S	Number of brackets in the tax rate schedule plus one
NBX	CSAVEX	I	A	Number of brackets in the tax rate schedule - Plan X
NBY	CSAVEY	I	A	Number of brackets in the tax rate schedule - Plan Y
NBYTES	CINPUT	I	S	Number of bytes in a packed block
NC	TABOUT	I	S	Number of columns in a table
NCALL	PACK_INT2	I	S	Flag indicating the routine is called for the first time
NCLT	TABOUT	I	S	Number of characters in a given title line
NDATE	CSAVE3	C	A	Date of the tax model run
NDELTX	TABLES_V12	I	S	Integer value for the change in tax liability
NDIRAP	CINPUT	R	S	Nondeductable end of year IRA contribution, primary
NDIRAS	CINPUT	R	S	Nondeductable end of year IRA contribution, secondary
NEWX	CSAVE1	I	S	Parameter that specifies if Plan X tax parameters are to be changed
NEWY	CSAVE1	I	S	Parameter that specifies if Plan Y tax parameters are to be changed
NF	TABOUT	I	S	Position of the last character in a title
NFBUSI	BLOWUP_V12	R	S	Non-farm business income blowup factor
NFILL	TAB01	I	S	Number of rows in Table 01
NGL	CINPUT	R	S	Net capital gain exclusion before limit
NKIND	PSLOS_CREATE89_ALT	I	S	Number of sources of passive losses

TABLE 10.1 (continued)

LIST OF TAX MODEL VARIABLES

VARIABLE	SUB-ROUTINE	T	M	— DESCRIPTION OF THE VARIABLE —
NLAW	CSAVE1	I	S	Parameter containing the law year of the tax model run (equivalenced to NYEAR)
NLEV	CSAVE1	I	S	Parameter containing the level year of the tax model run
NLINE	MAIN1	I	S	Number of lines printed
NLONG	SAMPL1_V12	I	S	Number of long-words in Base file or Match file
NLONGCPS	SAMPL_IMPT	I	S	Number of long-words in CPS companion file
NLR	TABOUT	I	S	Number of times the basic format can be repeated on the same page
NLTGL	CINPUT	R	S	Net long-term gains less losses (punched)
NO	COVER_PAGE	C	A	Character array containing the run number
NOEITC	CINPUT	I	S	No EITC claimed
NOGROW	BLOWUP_V12	R	S	No-growth factor (1.0)
NOLIN	TAXTAB	I	S	Number of lines needed to print the rate schedules
NOLS	CINPUT	R	S	Net operating loss carryovers
NP	CSAVE3	I	S	Unit device number for printed output (6)
NPASS	READWT_V12_5	I	S	Header information on the extrapolation weights file
NPC	TABOUT	I	S	Number of printed columns in block (1 to 10)
NPLAN	MAIN2_V12	I	S	Parameter specifying which tax plan is currently being executed
NPPOVR	TXCLCX_V12	I	S	Number of percentage points that AGI exceeds starting point for CCC phase-out
NR	TABOUT	I	S	Number of rows in a table
NRECI	READFEI_03FEB93	I	S	Number of records read
NRET	CSAVE1	I	S	Number of records in the input file
NRM1	TABOUT	I	S	Number of rows in a table minus one
NRPT	TABOUT	I	S	Number of repetitions of the basic format
NS	TABOUT	I	S	Beginning column of current line of text
NSF	TABOUT	I	S	Ending word of the current line in a column heading
NSIZE	MAIN2_V12	I	S	Total size of the output tables
NSS	TABOUT	I	S	Beginning word of the current line in a column heading
NSTGL	CINPUT	R	S	Net short-term gain or loss (punched)
NSTOP	CSAVE1	I	S	Number of records to be processed
NTAPE	SAMPL1_V12	I	S	Indicator that input file is being read from tape
NTIME	CSAVE3	C	A	Time of day when tax model run was made
NTL	TABOUT	I	S	Number of title lines for a TABOUT table
NTOT	MAIN2_V12	I	S	Error trap, number of unprocessed records
NTP	SAMPL_IMPT	I	S	Indicator that input file is being read from tape
NTUF	CINPUT	I	S	Number of tax units in the family
NWRDL	UNPACK2_DOUBLE_INT2	I	S	Number of long-words on input record
NWRITE	DIS_PSLOS89_ALT	I	S	Error counter
NYEAR	CSAVE1	I	S	Parameter containing the law year of the tax model run (equivalenced to NLAW)
OBRA_PARM	BLK_CREATE	R	A	Array for calculating inflation adjustments to OBRA90 parameters
OBRA_RATE	BLK_CREATE	R	A	Array for calculating inflation adjustments to OBRA90 tax rates
ODIFF	DIS_PSLOS89_ALT	R	S	Original (pre-call level) - difference between Z19 and TAPL
OPCAPL	DIS_PSLOS89_ALT	R	S	Original (pre-call level) - allowed passive capital losses
OPESTUL	DIS_PSLOS89_ALT	R	S	Original (pre-call level) - allowed passive estates and trusts losses
OPFARML	DIS_PSLOS89_ALT	R	S	Original (pre-call level) - allowed passive Schedule F farm losses
OPFRNTL	DIS_PSLOS89_ALT	R	S	Original (pre-call level) - allowed passive farm rental losses
OPPARTL	DIS_PSLOS89_ALT	R	S	Original (pre-call level) - allowed passive partnership losses
OPSBCL	DIS_PSLOS89_ALT	R	S	Original (pre-call level) - allowed passive SBC losses
OPSCHCL	DIS_PSLOS89_ALT	R	S	Original (pre-call level) - allowed passive Schedule C business losses
OPTION	MAIN1	N	M	Name list parameter for selecting the method of rate changes

TABLE 10.1 (continued)

LIST OF TAX MODEL VARIABLES

VARIABLE	SUB-ROUTINE	T	M	— DESCRIPTION OF THE VARIABLE —
ORENTL	DIS_PSLOS89_ALT	R	S	Original (pre-call level) - allowed passive Schedule E rental losses
ORIG_RETNO	CINPUT	R	S	Return sequence number on original SOI (Match file only)
OROW	TAB02	C	A	Character array of table rows descriptors under OBRA90 law
OT1	CSAVE3	I	S	Parameter that selects Table 01 output
OT2	CSAVE3	I	S	Parameter that selects Table 02 output
OT3	CSAVE3	I	S	Parameter that selects Table 03 output
OT4	CSAVE3	I	S	Parameter that selects Table 04 output
OTHCR	CINPUT	R	S	Other credits
OTHINC	CINPUT	R	S	Other net income or loss
OTPASL	DIS_PSLOS89_ALT	R	S	Original (pre-call level) - combined passive losses
OTSLTX	CINPUT	R	S	Other state and local taxes paid
OUIKID	CINPUT	R	S	Other children's unearned income
OUTPUT	MAIN1	N	M	Name list for specifying the output tables and unit of analysis
OVER	TXCLCX_V12	R	S	Amount of AGI over the starting point for the child care credit phase-out
P	MAIN1	R	A	Array of all tax parameters, exemption amounts, and rate schedules
P69LTC	CINPUT	R	S	Long-term loss carryover
P69STC	CINPUT	R	S	Short-term loss carryover
PAGE	CSAVE3	I	S	Output page counter
PART	CINPUT	R	S	Net partnership income
PARTG	BLOWUP_V12	R	S	Positive partnership income blowup factor
PARTL	BLOWUP_V12	R	S	Negative partnership (losses) blowup factor
PASL_NR	DIS_PSLOS89_ALT	R	S	Non-rental passive losses
PCAPL	PSLOS_CREATE89_ALT	R	S	Allowed passive capital losses
PCT89	FORM8582_CALC	R	S	Original percent of passive losses allowed on the 1989 SOI file
PCTKEEP	TXCLCX_V12	R	S	Percent of exemptions allowed
PDISCR	CINPUT	R	S	Allowed passive activity credits
PEKID1	CINPUT	R	S	Parent's elective tax: 1st tax computed at 15% rate
PEKID2	CINPUT	R	S	Parent's elective tax: 2nd tax computed at 15% rate
PEKID3	CINPUT	R	S	Parent's elective tax: 3rd tax computed at 15% rate
PEKID4	CINPUT	R	S	Parent's elective tax on 4th+ children
PEKIDX	CINPUT	R	S	Combined parent's elective tax computed at 15% rate - Plan X
PEKIDY	CINPUT	R	S	Combined parent's elective tax computed at 15% rate - Plan Y
PENS	BLOWUP_V12	R	S	Pension income blowup factor
PESTU	PSLOS_CREATE89_ALT	R	S	Allowed passive estates and trusts income/loss
PESTUG	PSLOS_CREATE89_ALT	R	S	Allowed passive estates and trusts income
PESTUL	PSLOS_CREATE89_ALT	R	S	Allowed passive estates and trusts losses
PFARM	PSLOS_CREATE89_ALT	R	S	Allowed passive Schedule F farm income/loss
PFARMG	CINPUT	R	S	Allowed passive Schedule F farm income
PFARML	CINPUT	R	S	Allowed passive Schedule F farm loss
PFRNTG	PSLOS_CREATE89_ALT	R	S	Allowed passive farm rental income
PFRNTL	PSLOS_CREATE89_ALT	R	S	Allowed passive farm rental loss
PHKEEP	FORM8582_CALC	R	S	Percent of passive losses allowed
PIN	MAIN1	R	A	Array of tax parameters
PIN04	BLK_CREATE	A	S	Array of values for PINX(04) and PINY(04) for 1988-2000
PIN05	BLK_CREATE	R	A	Array of values for PINX(05) and PINY(05) for 1988-2000
PIN31	BLK_CREATE	R	A	Array of values for PINX(31) and PINY(31) for 1988-2000
PIN32	BLK_CREATE	R	A	Array of values for PINX(32) and PINY(32) for 1988-2000
PIN58	BLK_CREATE	R	A	Array of values for PINX(58) and PINY(58) for 1988-2000

TABLE 10.1 (continued)

LIST OF TAX MODEL VARIABLES

VARIABLE	SUB-ROUTINE	T	M	— DESCRIPTION OF THE VARIABLE —
PIN70	BLK_CREATE	R	A	Array of values for PINX(70) and PINY(70) for 1988-2000
PIN71	BLK_CREATE	R	A	Array of values for PINX(71) and PINY(71) for 1988-2000
PIN72	BLK_CREATE	R	A	Array of values for PINX(72) and PINY(72) for 1988-2000
PIN73	BLK_CREATE	R	A	Array of values for PINX(75) and PINY(73) for 1988-2000
PINX	CSAVEX	R	A	Array of all miscellaneous tax parameters - Plan X
PINY	CSAVEY	R	A	Array of all miscellaneous tax parameters - Plan Y
PLAN	PROUT	C	S	Character scalar identifying the rate schedule's "plan" (e.g., X)
PLANX	CSAVE1	I	S	Parameter controlling whether the Plan X tax calculator is called
PLANY	CSAVE1	I	S	Parameter controlling whether the Plan Y tax calculator is called
PINX	MAIN1	N	M	Name list for specifying ranges to tax parameters - Plan X
PINY	MAIN1	N	M	Name list for specifying ranges to tax parameters - Plan Y
POST90	SSTAXES	R	S	Post-1990 factor for adjusting the base amount of self-employment business income
PPART	PSLOS_CREATE89_ALT	R	S	Allowed passive partnership income/loss
PPARTG	PSLOS_CREATE89_ALT	R	S	Allowed passive partnership income
PPARTL	PSLOS_CREATE89_ALT	R	S	Allowed passive partnership losses
PPLAN	TAXTAB	C	S	Character scalar identifying the rate schedule's "plan" (e.g., X)
PPTX	CINPUT	R	S	Personal property taxes
PRECPI	CSAVE1	R	A	Array of CPI annual average CPI values ending September 30 of each year
PREF	BLOWUP_V12	R	S	Preference items blowup factor
PREFAJ	CINPUT	R	S	AMT preference items
PREFI	CINPUT	R	S	Total preference items
PRO_OTHR	DIS_PSLOS89_ALT	R	S	Pro-rated disallowed non-rental losses on form 8582
PRO_RENT	DIS_PSLOS89_ALT	R	S	Pro-rated disallowed rental losses
PRO_TOTL	DIS_PSLOS89_ALT	R	S	Total pro-ratable disallowed losses
PRPRT	CSAVE3	I	S	Parameter controlling whether the tax parameters table is printed
PSBC	PSLOS_CREATE89_ALT	R	S	Allowed passive SBC income/loss
PSBCG	PSLOS_CREATE89_ALT	R	S	Allowed passive SBC income
PSBCL	PSLOS_CREATE89_ALT	R	S	Allowed passive SBC losses
PSCHC	PSLOS_CREATE89_ALT	R	S	Allowed passive Schedule C business income/loss
PSCHCG	CINPUT	R	S	allowed passive Schedule C business income
PSCHCL	CINPUT	R	S	Allowed passive Schedule C business loss
PSLOSADJ	CINPUT	R	S	Passive losses adjustment to AGI
PSLOSAJ	CINPUT	R	S	Passive activity loss
PTPEN	CINPUT	R	S	Taxable (portion in AGI)
PTTCR	CINPUT	R	S	Current year passive activity credit
PUBTRPL	DIS_PSLOS89_ALT	R	S	Publicly traded passive partnership losses
PX	CSAVEX	R	A	Array of all tax parameters, exemption amounts, and rate schedules - Plan X
PY	CSAVEY	R	A	Array of all tax parameters, exemption amounts, and rate schedules - Plan Y
RAECR	CINPUT	R	S	Research & experimentation credit
RATES	MAIN1	N	M	Name list for specifying changes to rate schedules
RATIO	TXCLCX_V12	R	S	Factor to pro-rate allowed credits
REMAIN	DIS_PSLOS89_ALT	R	S	Disallowed passive losses other than Schedule E disallowed rental losses
RENT	CINPUT	R	S	Net rental income
RENTG	BLOWUP_V12	R	S	Positive rental income blowup factor
RENTG_USE	DIS_PSLOS89_ALT	R	S	Rental income used to offset rental losses
RENTL	BLOWUP_V12	R	S	Negative rental (losses) blowup factor
RENTMAX	FORM8582_CALC	R	S	Maximum allowed rental losses
RENTRTE	FORM8582_CALC	R	S	Allowed rental losses phase-out rate

TABLE 10.1 (continued)

LIST OF TAX MODEL VARIABLES

VARIABLE	SUB-ROUTINE	T	M	— DESCRIPTION OF THE VARIABLE —
RENTSTR	FORM8582_CALC	R	S	Starting point for the allowed rental losses phase-out
RESID	CINPUT	R	S	Subtotal of minor income sources
RESP	MAIN1	C	S	Character flag indicating whether the standard (and) the C&F file(s) will be processed
RESPON	MAIN1	C	S	Character flag indicating whether the match file will be processed
RESPON2	MAIN1	C	S	Character flag indicating whether the CPS companion file will be processed
RETID	CINPUT	I	S	Original SOI return identifier
RETNO	CINPUT	I	S	Return sequence number
RETNY	MAIN2_V12	R	S	Total number of returns that choose Plan Y over Plan Z
RETNZ	MAIN2_V12	R	S	Total number of returns that choose Plan Z over Plan Y
RETX	CINPUT	R	S	Real estate taxes
RFEI	CINPUT	R	S	Economic income of the return
RMAT	CINPUT	R	A	"Real" array of variables specific to the Match file
RNO	COVER_PAGE	C	A	Character array used to display the run number on the cover page
RNUM	MAIN1	I	S	Run number
ROYAL	CINPUT	R	S	Royalty net income or loss
RS	TABOUT	R	A	Stubs for a TABOUT table
RTE	CINPUT	R	S	Marginal tax rate
RTE2	TXCLCX_V12	R	S	Alternative schedule marginal tax rate (not used)
RTECG	TXCLCX_V12	R	S	Marginal tax rate on capital gains
RTM	CINPUT	R	S	Marginal tax rate under pre-OBRA90 law without surtax bubble adjustment
RTM1	TAXX_V12	R	S	Marginal tax rate under OBRA90 on all taxable income
RTM2	TAXX_V12	R	S	Marginal tax rate under OBRA90 on taxable income without long-term gains
RTMB	TXCLCE_V12	R	S	Marginal tax rate for kiddy tax filers on own earned income
SAMPLE	COVER_PAGE	N	M	Name list specifying the law and levels years and the number of records to process
SAVOUT	CSAVE3	I	S	Parameter controlling whether the tax model output is permanently saved (not used)
SBC	CINPUT	R	S	Net subchapter S corporate income
SBTLAB	CSAVE3	C	A	Subtotal labels for the output tables
SCAPGL	BLOWUP_V12	R	S	Short-term capital gains/losses blowup factor
SCHD	MAIN1	N	M	Name list indicating which tax rate schedule is to be modified
SCHE	CINPUT	R	S	Schedule E net income or loss
SDADD	CINPUT	R	S	Additional standard deduction
SDX	CINPUT	R	S	Total standard deduction - Plan X
SDY	CINPUT	R	S	Total standard deduction - Plan Y
SEBASE	SECA_CALC	R	S	SECA tax base
SEBASEP	SECA_CALC	R	S	SECA tax base - primary
SEBASES	SECA_CALC	R	S	SECA tax base - spouse
SECA	SSTAXES	R	S	SECA taxes
SECADED	CINPUT	R	S	AGI adjustment for SECA taxes paid
SECAP	SSTAXES	R	S	SECA taxes - primary
SECAS	SSTAXES	R	S	SECA taxes - spouse
SECATX	CINPUT	R	S	Calculated SECA tax liability
SEEP	CINPUT	R	S	Self-employment income - primary
SEERN	CINPUT	R	S	Schedule SE net earning - total
SEERNP	CINPUT	R	S	Schedule SE net earning - primary
SEERNS	CINPUT	R	S	Schedule SE net earning - spouse
SEES	CINPUT	R	S	Self-employment income - spouse
SEINC	CINPUT	R	S	Schedule SE income - total
SEINCP	CINPUT	R	S	Schedule SE income - primary

TABLE 10.1 (continued)

LIST OF TAX MODEL VARIABLES

VARIABLE	SUB-ROUTINE	T	M	— DESCRIPTION OF THE VARIABLE —
SEINCS	CINPUT	R	S	Schedule SE income - spouse
SEMAX	SSTAXES	R	S	SECA tax earnings cap
SERTE	SSTAXES	R	S	SECA tax rate
SETAX	CINPUT	R	S	Schedule SE tax - total
SETAXP	CINPUT	R	S	Schedule SE tax - primary
SETAXS	CINPUT	R	S	Schedule SE tax - spouse
SEWAS	CINPUT	R	S	Schedule SE wages - total
SEWASP	CINPUT	R	S	Schedule SE wages - primary
SEWASS	CINPUT	R	S	Schedule SE wages - spouse
SHARES	CINPUT	R	S	Two-Earner share of wages by spouse
FHIP	SSTAXES	R	S	Health insurance tax portion of FICA taxes - primary
FHIS	SSTAXES	R	S	Health insurance tax portion of FICA taxes - spouse
SHITAX	SSTAXES	R	S	Health insurance tax rate under SECA taxes
SINSTL	CINPUT	R	S	Short-term installment gain
SITR	CINPUT	R	S	State income tax refunds
SLITX	CINPUT	R	S	State and local income taxes deduction
SLTAX	BLOWUP_V12	R	S	State and local tax expenses blowup factor
SOCSEC	BLOWUP_V12	R	S	Social Security income blowup factor
SOI	SAMPL1_V12	C	A	Character string indicating the Base SOI file is processed
SOURCE	MAIN1	C	A	Character string indicating the unit of analysis
SPARTG	CINPUT	R	S	Short-term partnership/S-Corp gain
SPARTL	CINPUT	R	S	Short-term partnership/S-Corp loss
SPCTAX	CINPUT	R	S	Taxes from special computations
SPECTX	CINPUT	I	S	Special tax computation
SRESCG	CINPUT	R	S	Short-term residence gain
SSAGIX	CINPUT	R	S	Benefits in AGI - Plan X
SSAGIY	CINPUT	R	S	Benefits in AGI - Plan Y
SSINC	CINPUT	R	S	Social Security: gross benefits
SSNP	CINPUT	I	S	Primary Social Security number
SSNS	CINPUT	I	S	Secondary Social Security number
SSTOTAL	SSTAXES	R	S	Total Social Security taxes
START	READFEI_03FEB93	I	S	Flag indicating the routine is called for the first time
STAT	PACK_INT2	I	S	Status word
STG	CINPUT	R	S	Current short-term gains
STL	CINPUT	R	S	Current short-term losses
STUBDF	CSAVE3	R	S	Parameter to deflate the classifier stubs
STUBS	CSAVE3	R	A	Income classifier stubs array
STXKID	CINPUT	R	S	State & local tax deductions claimed by child
SUB	TAB02	C	A	Table sub-headings
SUBSTR	SAMPL1_V12	I	S	Character string of first 5 letters of the input file being processed
SUBTOT	PSLOS_CREATE89_ALT	R	S	Subtotal of allowed passive losses except capital losses
SUM	TAB03	R	S	The sum of the Table 03 cell entries
SUMDI	SAMPL1_V12	R	S	Sum of dividends and interest in excess of $3000 going to kids of i8814 filers
SURTX	TAXX_V12	R	S	Pre-OBRA90 surtax on phase-out of personal exemptions and benefit of 15% bracket
SURTX1	TAXX_V12	R	S	Pre-OBRA90 surtax on phase-out of the benefit of the 15% bracket
SURTX2	TAXX_V12	R	S	Pre-OBRA90 surtax on phase-out of personal exemptions
SURTXB	TXCLCE_V12	R	S	Pre-OBRA90 surtax on earned income for kiddy tax filers
SURTXX	CINPUT	R	S	Pre-OBRA90 surtax - Plan X

TABLE 10.1 (continued)

LIST OF TAX MODEL VARIABLES

VARIABLE	SUB-ROUTINE	T	M	— DESCRIPTION OF THE VARIABLE —
SURTXY	CINPUT	R	S	Pre-OBRA90 surtax - Plan Y
T	CSAVE4	R	A	Storage array for all output tables
T1	TABLES_V12	R	A	Storage for Table 01
T2	TABLES_V12	R	A	Storage for Table 02
T2MISC	CINPUT	R	S	Miscellaneous deductions subject to AGI limit, total
T3	TABLES_V12	R	A	Storage for Table 03
T4	TABLES_V12	R	A	Storage for Table 04
T6SRCE	CSAVE3	I	S	Parameter indicating the classifier source for certain tables (not used)
TAMETS	TXCLCE_V12	R	S	Tentative AMT tax calculated for extrapolation purposes
TAMTCR	CINPUT	R	S	Allowable alternative minimum tax credit
TAMTX	CINPUT	R	S	Tentative alternative minimum tax - Plan X
TAMTXA	TXCLCX_V12	R	S	Tentative alternative minimum tax before foreign tax credits - Plan X
TAMTY	CINPUT	R	S	Tentative alternative minimum tax - Plan Y
TAMTYA	TXCLCY_V12	R	S	Tentative alternative minimum tax before foreign tax credits - Plan Y
TAPL	CINPUT	R	S	Total allowed passive losses
TAXAX	CINPUT	R	S	Final individual income tax liability - Plan X
TAXAY	CINPUT	R	S	Final individual income tax liability - Plan Y
TAXB	CINPUT	R	S	Income tax before credits
TAXBS	TAXX_V12	R	S	Income tax before credits and special taxes
TAXBSA	TAXX_V12	R	S	Income tax before credits and special taxes on taxable income without long-term gains
TAXBSX	CINPUT	R	S	Computed income tax - Plan X
TAXBSY	CINPUT	R	S	Computed income tax - Plan Y
TAXCCE	CINPUT	R	S	Taxable dependent care benefits
TAXGR	BLOWUP_V12	R	S	Non-Federal income taxes blowup factor
TCCC	TXCLCX_V12	R	S	Tentative child care credit
TCGA	CINPUT	R	S	Long-term capital gains over short term losses
TCIE	CINPUT	R	S	Interest deductions: personal interest paid
TDIINC	CINPUT	R	S	Total disability income
TDIS1	TXCLCX_V12	R	S	Disallowed investment interest expenses
TELDCR	TXCLCX_V12	R	S	Tentative elderly credit
TEMP	SAMPL1_V12	R	S	Tentative sum of Parent's elective tax from first three kids
TEXINT	CINPUT	R	S	Tax-Exempt interest
TFTC	CINPUT	R	S	Tentative foreign tax credit
TGBC	CINPUT	R	S	Tentative general business credit before regular tax limitation
TGBCR	TXCLCX_V12	R	S	Tentative general business credit after regular tax limitation
TI	TAXX_V12	R	S	Total taxable income
TI15	TAXX_V12	R	S	Taxable income without long-term gains subject to a 15% rate
TI28	TAXX_V12	R	S	Taxable income without long-term gains subject to a 28% rate
TIA	TAXX_V12	R	S	Taxable income without long-term gains
TIDX	CINPUT	R	S	Total itemized deductions - Plan X
TIDXA	TXCLCX_V12	R	S	Tentative total itemized deductions - Plan X
TIDY	CINPUT	R	S	Total itemized deductions - Plan Y
TIDYA	TXCLCY_V12	R	S	Tentative total itemized deductions - Plan Y
TIIE	CINPUT	R	S	Current year investment interest
TIKIDH	CINPUT	R	S	Parent's taxable income
TINC	TABLES_V12	R	S	Total taxable income
TINCA	TABLES_V12	R	S	Total taxable income without long-term gains
TINCP	CTINCP	R	S	Taxable income generated from a reverse tax calculator

TABLE 10.1 (continued)

LIST OF TAX MODEL VARIABLES

VARIABLE	SUB-ROUTINE	T	M	— DESCRIPTION OF THE VARIABLE —
TINCX	CINPUT	R	S	Total taxable income - Plan X
TINCY	CINPUT	R	S	Total taxable income - Plan Y
TIRAD	CINPUT	R	S	Taxable IRA distributions
TITLELINE	COVER_PAGE	C	A	Character array containing the header information printed on each output table
TIWOUI	CINPUT	R	S	Excess of child's income over net investment income
TL	TABOUT	C	A	Title lines for a TABOUT table
TM	MAIN1	R	A	Marginal tax rates
TMICR	CINPUT	R	S	Tentative mortgage investment credit
TMP2	SSTAXES	R	S	The FICA earnings cap in excess of BASE_WAS (for limiting reduction in SECA base)
TMP3	SSTAXES	R	S	TMP2 less Federal government wages
TMP4	SSTAXES	R	S	Health insurance earnings cap in excess of BASE_WAS
TMPIRA	TXCLCX_V12	R	S	Modified AGI used for IRA deduction phase-out
TMX	CSAVEX	R	A	Marginal tax rates - Plan X
TMY	CSAVEY	R	A	Marginal tax rates - Plan Y
TOPIRA	TXCLCX_V12	R	S	Maximum IRA deduction allowed
TOTINCX	CINPUT	R	S	Total income - Plan X
TOTINCY	CINPUT	R	S	Total income - Plan Y
TOTKID	CINPUT	R	S	Difference between tax on parent's income and tax on own income
TOT_ARL	DIS_PSLOS89_ALT	R	S	Total allowed rental losses
TPASL	PSLOS_CREATE89_ALT	R	S	Total allowed passive losses
TR	MAIN1	R	A	Array of OBRA90 law parameters
TR13	BLK_CREATE	R	A	Array of values for TRX(13) and TRY(13) for 1988-2000
TR14	BLK_CREATE	R	A	Array of values for TRX(14) and TRY(14) for 1988-2000
TR16	BLK_CREATE	R	A	Array of values for TRX(16) and TRY(16) for 1988-2000
TR17	BLK_CREATE	R	A	Array of values for TRX(17) and TRY(17) for 1988-2000
TRACPI	CSAVE1	R	A	Array of CPI annual average CPI values ending August 31 of each year
TRENT	CINPUT	R	S	Rent net income or loss
TROW	TAB02	C	A	Character array of table rows descriptors under pre-OBRA90 law
TRUETX	TXCLCX_V12	R	S	State income tax expenses adjusted by state tax refunds in AGI
TRX	CSAVEX	R	A	Tax reform (OBRA90 law) tax parameters - Plan X
TRY	CSAVEY	R	A	Tax reform (OBRA90 law) tax parameters - Plan Y
TS	MAIN1	R	A	Tax amount at bracket break-points
TSX	CSAVEX	R	A	Tax amount at bracket break-points - Plan X
TSY	CSAVEY	R	A	Tax amount at bracket break-points - Plan Y
TTADJ	CINPUT	R	S	Total statutory adjustments
TTAXA	CINPUT	R	S	Tax after credits
TTCASU	CINPUT	R	S	Total theft and casuality losses
TTCON	CINPUT	R	S	Total charitable contributions
TTCRX	CINPUT	R	S	Total credits - Plan X
TTCRY	CINPUT	R	S	Total credits - Plan Y
TTIE	CINPUT	R	S	Total interest paid deduction
TTLOS	DIS_PSLOS89_ALT	R	S	Total Form 8582 passive losses
TTMED	CINPUT	R	S	Total medical expenses
TTMICR	CINPUT	R	S	Total mortgage investment credit
TTPREF	TXCLCX_V12	R	S	Total tax preferences
TTPSLOS	DIS_PSLOS89_ALT	R	S	Total disallowed passive losses from Form 8582
TTSLTX	CINPUT	R	S	Total state and local taxes paid deduction
TTTCR	TXCLCX_V12	R	S	Tentative total tax credits

TABLE 10.1 (continued)

LIST OF TAX MODEL VARIABLES

VARIABLE	SUB-ROUTINE	T	M	— DESCRIPTION OF THE VARIABLE —
TTX	CSAVE3	C	A	Array containing the run descriptor - Plan X
TTY	CSAVE3	C	A	Array containing the run descriptor - Plan Y
TX	COVER_PAGE	C	A	Plan descriptor for Plan X
TXKIDX	CINPUT	R	S	Total kiddy tax - Plan X
TXKIDY	CINPUT	R	S	Total kiddy tax - Plan Y
TXPYE	CINPUT	R	S	Number of taxpayer exemptions
TXUI	CINPUT	R	S	Investment income taxed at parents tax rate
TXWOUI	TXCLCX_V12	R	S	Tax on kiddy tax filer's earned income
TY	COVER_PAGE	C	A	Plan descriptor for Plan Y
TY2	TABLES_V12	R	A	Row stubs for Table 02
TYX	CSAVEX	R	A	Tax bracket break points - Plan X
TYY	CSAVEY	R	A	Tax bracket break points - Plan Y
UCAGIX	CINPUT	R	S	Unemployment compensation in AGI
UCAMTI	CINPUT	R	S	Unaccounted for AMT income
UCNOL	CINPUT	R	S	Unaccounted for net operating losses
UEARNK	CINPUT	R	S	Form 8615 gross unearned income
UEICEI	CINPUT	R	S	Unaccounted for earned income for the EITC
UFTC	TXCLCX_V12	R	S	Unused foreign tax credit
UIKID	CINPUT	R	S	Net unearned income
UNALLOC	DIS_PSLOS89_ALT	R	S	Disallowed passive losses unallocated to a particular source
UNCRX	CINPUT	R	S	Total unused credits - Plan X
UNCRY	CINPUT	R	S	Total unused credits - Plan Y
UNKNOWN	BLOWUP_V12	R	S	Blowup factor for variables with unknown adjustment (not used)
UNUSE	TXCLCX_V12	R	S	Unused general business credits
UOA	CSAVE3	I	S	Unit of analysis (returns or families)
USD	TXCLCE_V12	R	S	Unused standard deduction (not used)
VERSON	CSAVE3	C	A	Array containing the header TITLELINE
WAGE	BLOWUP_V12	R	S	Wage income blowup factor
WAS	CINPUT	R	S	Salaries and wages and tips
WASP	CINPUT	R	S	Two-Earner primary wages
WASS	CINPUT	R	S	Two-Earner secondary wages
WBUFFR	READFEI_03FEB93	R	A	File input buffer
WFNAME	READFEI_03FEB93	C	A	Logical name and for FEI input file
WORK	TABOUT	R	A	Work area for constructing column headings
WRK	TAXTAB	R	A	rea for constructing the tax rate schedule's output
WSX	CINPUT	R	A	Array of major tax variables under Plan X - used for output tables
WSY	CINPUT	R	A	Array of major tax variables under Plan Y - used for output tables
WT	CINPUT	R	S	Record weight
WT1	READWT_V12_5	R	S	Tentative record weight
WT89	CINPUT	R	S	Weight of original 1989 record weight
WT89MAT	CINPUT	R	S	Original match file weight
WTNEW	CINPUT	R	S	Tentative match file record weight
X	TABOUT	R	A	Output table to be printed
XEXEMH	CINPUT	R	S	Exemptions claimed by parent
XPCAPL	DIS_PSLOS89_ALT	R	S	Adjusted allowed passive losses from capital activities
XPESTUL	DIS_PSLOS89_ALT	R	S	Adjusted allowed passive losses from estates and trusts
XPFARML	DIS_PSLOS89_ALT	R	S	Adjusted allowed passive losses from Schedule F farm
XPFRNTL	DIS_PSLOS89_ALT	R	S	Adjusted allowed passive losses from farm rental activities

TABLE 10.1 (continued)

LIST OF TAX MODEL VARIABLES

VARIABLE	SUB-ROUTINE	T	M	— DESCRIPTION OF THE VARIABLE —
XPPARTL	DIS_PSLOS89_ALT	R	S	Adjusted allowed passive losses from partnerships
XPSBCL	DIS_PSLOS89_ALT	R	S	Adjusted allowed passive losses from SBCs
XPSCHCL	DIS_PSLOS89_ALT	R	S	Adjusted allowed passive losses from Schedule C business activities
XRENTL	DIS_PSLOS89_ALT	R	S	Adjusted allowed passive losses from Schedule E rental activities
XSAVE	SAVEX_V12	R	A	Array containing original Plan X calculated variables
XTPASL	DIS_PSLOS89_ALT	R	S	Adjusted allowed passive losses from all sources
Y	CTINCP	R	S	Tax liability passed to reverse tax calculator
YINV	CINPUT	R	S	Investment income
YR	CINPUT	I	S	Tax filing period - year
Z10	CINPUT	R	S	Form 8582: Net income/loss from all passive activities before 10/23/86
Z11	CINPUT	R	S	Form 8582: Adjusted rental loss in computing phase-in
Z12	CINPUT	R	S	Form 8582: Non-rental net losses before 10/23/86
Z13	CINPUT	R	S	Form 8582: All net losses less allowable rental loss
Z14	CINPUT	R	S	Form 8582: Net loss amount subject to phase-in
Z15	CINPUT	R	S	Form 8582: Phase-in amount for computing total loss
Z16	CINPUT	R	S	Form 8582: Allowable current year rental loss
Z17	CINPUT	R	S	Form 8582: Passive activity loss allowed for current year
Z18	CINPUT	R	S	Form 8582: Net income for all activities
Z19	CINPUT	R	S	Form 8582: Total current year passive activities loss allowed
Z1A	CINPUT	R	S	Form 8582: Active rental net income before 10/23/86
Z1B	CINPUT	R	S	Form 8582: Active rental net loss before 10/23/86
Z1C	CINPUT	R	S	Form 8582: Active rental net income/loss before 10/23/86
Z1D	CINPUT	R	S	Form 8582: Active rental net income after 10/22/86
Z1E	CINPUT	R	S	Form 8582: Active rental net loss after 10/22/86
Z1F	CINPUT	R	S	Form 8582: Active rental net income/loss before 10/22/86
Z1G	CINPUT	R	S	Form 8582: Active rental net income/loss
Z1H	CINPUT	R	S	Form 8582: Prior year unallowed active losses
Z1I	CINPUT	R	S	Form 8582: Combined year active rental net income/loss
Z2A	CINPUT	R	S	Form 8582: Passive activity net income before 10/23/86
Z2B	CINPUT	R	S	Form 8582: Passive activity net loss before 10/23/86
Z2C	CINPUT	R	S	Form 8582: Passive/active net income/loss before 10/23/86
Z2D	CINPUT	R	S	Form 8582: Passive activity net income after 10/22/86
Z2E	CINPUT	R	S	Form 8582: Passive activity net loss after 10/22/86
Z2F	CINPUT	R	S	Form 8582: Passive activity net income loss after 10/22/86
Z2G	CINPUT	R	S	Form 8582: Passive activity net income loss
Z2H	CINPUT	R	S	Form 8582: Prior year unallowed passive losses
Z2I	CINPUT	R	S	Form 8582: Combined passive activity and income loss
Z3	CINPUT	R	S	Form 8582: Passive and rental net income loss
Z4	CINPUT	R	S	Form 8582: Rental net loss for computing allowance
Z5	CINPUT	R	S	Form 8582: Maximum modified AGI
Z6	CINPUT	R	S	Form 8582: Actual modified AGI
Z7	CINPUT	R	S	Form 8582: Modified AGI subject to reduction
Z8	CINPUT	R	S	Form 8582: Reduced modified AGI
Z9	CINPUT	R	S	Form 8582: Allowable rental activity loss

Chapter 11

CHANGES FROM VERSION 11 OF THE TAX MODEL

11.1 GENERAL DESCRIPTION OF THE CHANGES

The starting point for constructing Version 12, the current version of the Individual Tax Model, was Version 11 of the Tax Model. The basic structure of the Model has not changed. The Model still has three main phases; Phase I initializes the parameters; Phase II processes the data, recalculates tax liability, and updates the statistical tables; and Phase III processes and outputs the results from Phase II. However, the two versions of the Model differ in a number of substantial ways.

The most noticeable difference is in the Tax Model's printed output. The new version has reduced the number and length of the standard statistical tables and has streamlined the Model's informational output. In addition, a number of utility programs were dropped lack of use. An important but generally unnoticed change to the Model is the faster and more efficient data packing and I/O handling subroutines.

The remainder of this chapter describes in detail most of the changes made to Version 11 of the Tax Model in order to create Version 12. These sections are likely to be of interest only to users who are "intimately" familiar with Version 11.

11.2 CHANGES TO PHASE I

11.2.1 CHANGES TO THE COVER PAGE

- We extended the length of the Plan X and Y descriptor arrays (TX and TY) from 60 characters to 80 characters. In addition, we widened the box on the cover page which describes the Tax Model run.
- We extended the VERSON array, which contains the header information printed on every output page to 130 characters.
- All of the VERSON array is filled in the COVER_PAGE routine rather than just the date and run number.
- We dropped the NCODE variable.
- We added a dashed separator between the printed description of Plan X and the printed description of Plan Y.

11.2.2 CHANGES TO THE $OUTPUT, $EDIT, AND $CHANGE IMAGES

- We dropped the print control variables: OT0, OT5, OT6A, OT6B, OT7, OT8A, and OT8B.
- We dropped disaggregation editing codes for all output tables (e.g., BRK1).
- We dropped the option of automatically selecting specific pages of the statistical tables for output. In addition we dropped the page selection editing parameters for all output tables (e.g., AUTOSL, and LSW1).
- The default value for CSTUBD is 1 for returns (distribute by Plan X AGI) and 3 for families (distribute by family economic income).
- A value of 0 for CSTUBD is no longer used.
- We dropped all alternative stubs to be used as classifiers (e.g., the high-option stubs). In addition, we dropped the CSRCE stubs classifier variable which was used to select alternative stubs.
- We dropped the source indicators for Version 11's Tables 6 and 7, Table 7's stubs array.
- We added the variables ILX, ILY, and ILZ to the $CHANGE image. These variables control whether pre-OBRA90 or OBRA90 law will be calculated. In Version 11, these variables indicated whether the block-data file contained values for pre-TRA law or TRA law.
- We dropped the ZBACHK variable.
- We dropped the INFLA variable.
- We dropped the T34LAB, STBFAM, and T7CON character arrays.

11.2.3 CHANGES TO THE TAX PARAMETERS

- We reduced the number of possible tax brackets from 50 to 15.
- We dropped the tax rate schedule for the Alternative Minimum Tax.
- The various PIN* tax parameters were reordered.
- The TR* tax parameters reflect OBRA law rather than TRA law.
- We have eliminated all but one block-data file. The one remaining block-data file is BLK88, and most tax parameters are generated from this file using the new routine, BLK_CREATE.
- We created a new common block which contains a series of actual and forecasted CPI levels; from the years 1983 to 2000. The common block is defined in the file CSAVE1.

11.2.4 CHANGES TO PHASE I OUTPUT

- We dropped the TAB character array and the print statement which specifies which output tables were selected.
- We dropped the BRKDWN character array and the print statement which specifies how the output tables are disaggregated.
- We dropped the OPTN character array and the print statement which shows the classifier stubs.
- We added the C_LAW character array and a print statement which shows the basic tax regime being simulated (OBRA90 or pre-OBRA90 law).

11.3 CHANGES TO PHASE II

11.3.1 CHANGES TO THE I/O ROUTINES

- We modified the Tax Model's unpacking routine to allow for double buffering.
- We modified the data packing routine to allow for some data elements to be stored in 2-byte words instead of 4-byte long words. For example, the non-zero elements of the M-Array are now packed into 2-byte words. Thus, the routines PACK_INT2, UNPACK_INT2, FTNPK1_INT2, and FTNUP1_INT2 replace the routines PACK, UNPACK, FTNPK1, and FTNUP1. The result of this change is smaller storage requirements and faster processing.

11.3.2 CHANGES TO THE TAX CALCULATORS

- Pre-TRA law and all provisions specific to pre-TRA law are no longer calculated.
- Provisions specific to TRA law are now calculated using actual tax data rather than imputations.
- Disallowed passive losses are now calculated in the subprogram FORM8582_CALC. The subprogram is called from the calculators.
- Regular tax liability is now calculated in the subprograms TAXX, TAXY, and TAXZ. The subprograms are called from the calculators.
- We dropped the EMAX variable from the TAX function subprogram.
- We renamed the variables INLCG, TOTINC, and FTC to INLCG*, TOTINC*, and FTC*, where * may be X,Y, or Z.
- The Tax Model now follows the SOI file and returns with negative AGI are automatically non-itemizers. (However, the Tax Model still calculates total itemized deductions for all returns.)

- We now calculate two values for each type of credit: tentative and final. The tentative value of a credit is obtained by following the credit form. The final value of a credit is the amount that actually offsets tax liability. For example, the tentative child care credit, TCCC, is determined by following Form 2441. The final child care credit, CCCX, is the amount of tax that TCCC offsets. The credit values in Version 11's calculator were tentative credit values.

11.3.3 OTHER CHANGES TO PHASE II

- Table 01 is very similar to Version 11's DEBUGA routine. The subprogram, TAB01_FILL is called from MAIN2 after each call to the tax calculators.
- Family Economic Income (FEI) is no longer calculated "on-the-fly" by using imputations stored in a companion file. Instead, the Model reads a parallel data file containing the economic income of each return on the Match file. The subprogram READFEI is used to read the parallel file.
- We dropped the DUMP, DEBUG, DEBUGA, and WDEBUG utility subprograms.
- We dropped the CGADJ routine which makes average adjustments to capital gains realizations as a result of the rate changes between pre-TRA and TRA law.
- We added a capital gains adjustment module to the Model. The additional programs make "on-the-fly" adjustments to capital gains realizations based on individual changes in marginal tax rates on gains.
- We added a Social Security tax calculator.
- We dropped the ILES data sorting routine.

11.4 CHANGES TO PHASE III

- We replaced the table produced by DEBUGA with Version 12's Table 01, replaced Version 11's Table 05 with Version 12's Table 03, and replaced Version 11's Table 8B with Table 04.
- We dropped Version 11 Tables' 2, 3, 4, 6A, 6B, 7, and 8A.
- The family tables now have the same table numbers as the return tables.
- Tables are no longer broken down by itemizers and non-itemizers.
- Tables 01, 02, and 04 are printed on a single page, while Table 03 needs two pages. Therefore, we dropped the coding used to print selected pages of output.
- Tables 01 through 04 are "non-optional" tables in the sense that they are produced in every model run unless specifically requested by the user.

- We dropped the MARGNL and EXTEND subroutines.
- In Table 04, we replaced the columns containing information on the catastrophic health insurance tax with information on the EITC.

11.5 CHANGES TO THE TAX MODEL'S EXTRAPOLATION

- The Tax Model is currently extrapolated until the year 1998.
- The extrapolation routines can be applied to the Base file as well as the Match file.
- In order to preserve the uniqueness of high income returns and to keep the extrapolation procedure from over-relying on high income returns to hit economic targets, returns with weights of 5 or less are not adjusted by the extrapolation's Stage II.
- We now target the number of millionaires.

11.6 OTHER CHANGES TO THE TAX MODEL

- In a Version 11 Tax Model simulation run, four subdirectories on the scratch disk are created to form temporary working areas. In the current Model, only a single subdirectory is created.
- We dropped the AUTO_PRINT feature of a Tax Model simulation run.
- A simulation with a capital gains behavioral adjustment is no longer an option for SCENARIO command procedure.
- We no longer use the SCENARIO command procedure to specify the basic tax regime for Plans X and Y. Instead, the ILX and ILY parameters on the $CHANGE image are set.

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